Report of the Commission of Inquiry on Rents

September 1983

Nova Scotia

Commission of Inquiry on Rents

The Honourable TH Coffin, Q C
Chairman

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September 20, 1983

His Honour the Lieutenant Governor in Council
Province of Nova Scotia

May it please Your Honour:

By Order in Council dated the 9th day of November, A.D., 1982, as amended on the 28th day of June, A.D., 1983, the undersigned were appointed Commissioners to inquire into and examine government policies relating to the review of rental increases for residential accommodation, including the suitability of the scope and provisions of the Rent Review Act and methods and procedures employed in this administration, and the provisions of the Residential Tenancies Act, Rental Property Conversion Act and the Condominium Act, as these enactments relate to the rent review process.

As such Commissioners, we respectfully submit to Your Honour the accompanying Report.

T. H. Coffin	E. Margaret Fulton	Donald Blackwood
Chairman	Commissioner	Commissioner

EXECUTIVE COUNCIL

NOVA SCOTIA

Certified to be a true copy of an Order of his Honour the Lieutenant Governor of Nova Scotia in Council made the 9th day of November A. D. 1982.

82-1356

WHEREAS it is deemed expedient to cause inquiry to be made into and concerning the matters hereinafter mentioned in relation to which the Legislature of Nova Scotia may make laws;

AND WHEREAS the economic and social conditions warrant a review respecting the role of government in the determination of allowable rent increases pertaining to the residential premises of many Nova Scotians;

NOW THEREFORE the Lieutenant Governor by and with the advice of the Executive Council of Nova Scotia is pleased to:

1. Appoint:

Honourable Justice Thomas H. Coffin, Halifax, County of Halifax,

Dr. Margaret Fulton, Halifax, County of Halifax,

Donald Blackwood, New Waterford, County of Cape Breton

to be Commissioners under the Public Inquiries Act, the first named to be Chairman thereof, to inquire into and examine present government policies relating to the review of rental increases for residential accommodation, excluding those premises for which assistance is provided through the Nova Scotia Housing Commission, and without limiting the generality of the foregoing, to examine and make recommendations to the Governor in Council with respect to:

(a) the suitability of the scope and provisions of the Rent Review Act and the methods and procedures employed in the administration of the Act;

(b) the provisions of the Residential Tenancies Act, Rental Property Conversion Act and the Condominium Act as these enactments relate to the rent review process.

2. Appoint John Romans, Windsor, County of Hants, as legal counsel to the said Commissioners;

3. Direct the said Commissioners to seek and receive briefs and written submissions from various interested persons and groups and to conduct such further inquiry as they see fit;

4. Direct the said Commissioners to retain the services of such technical, clerical and other personnel who in the opinion of the Commissioners are required for the purpose of the inquiry;

5. Authorize the payment to the Commissioners, secretary and other personnel required in the work of the Commissioners, for necessary disbursements, travel and reasonable living expenses as are required in the discharge of their duties;

6. Order that remuneration, costs and expenses payable or incurred in the course of the inquiry shall be paid out of the Consolidated Fund of the Province;

7. Direct the Commissioners to report to the Governor in Council their findings and recommendations at their earliest opportunity, but not later than June 30, 1983.

H. F. G. STEVENS, Q.C.,
CLERK OF THE EXECUTIVE COUNCIL.

EXECUTIVE COUNCIL

NOVA SCOTIA

Certified to be a true copy of an Order of his Honour the Lieutenant Governor of Nova Scotia in Council made the 28th day of June A. D. 1983

83-692

The Governor in Council on the report and recommendation of the Minister of Consumer Affairs dated the 21st day of June, A.D., 1983, pursuant to the Public Inquiries Act and the Interpretation Act, is pleased to amend Order in Council 82-1356 dated the 9th day of November, A.D., 1982, respecting the Public Inquiries Commission to inquire into and examine present government policies relating to the review of rental increases for residential accommodation, by:

(a) striking out the symbol "," where it appears after the word "opportunity" in the last line of paragraph 7 thereof and substituting therefor the symbol ".";

(b) striking out the words and symbols "but not later than June 30, 1983" , which appear in the last line of paragraph 7 of the said Order.

H. F. G. STEVENS, Q.C.,
CLERK OF THE EXECUTIVE COUNCIL.

ACKNOWLEDGEMENTS

In presenting this Report we acknowledge the great assistance and co-operation of Mr. Robert S. Huestis, Q.C., and Mr. John D. Romans, who acted as Counsel, and to Mrs. Anne Harris, Miss Irene Haley and Mrs. Genevieve Batiot, who provided secretarial services.

We are particularly grateful to Mrs. Lois Smith, Executive Secretary of the Commission, who carried out its organization and completed all necessary arrangements for the public hearings with great skill and efficiency.

We were aided in our deliberations by the many submissions, both written and oral, of various interested parties, which, although often worlds apart in the positions they urged, were well prepared and presented with great clarity.

With the exception of those whose letters were expressly confidential, we are listing all the contributors in the Appendix to this Report.

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INTRODUCTION

By Order in Council dated the 9th day of November, A.D., 1982, this Commission was appointed under the Public Inquiries Act to inquire into and examine present government policies relating to the review of rental increases for residential accommodation, excluding those premises for which assistance is provided through the Nova Scotia Housing Commission, and without limiting the generality of the foregoing, to examine and make recommendations to the Governor in Council with respect to:

(a) the suitability of the scope and provisions of the Rent Review Act and the methods and procedures employed in the administration of the Act;

(b) the provisions of the Residential Tenancies Act, the Rental Property Conversion Act and the Condominium Act as these enactments relate to the rent review process.

For practical purposes, the Commission is called "Commission of Inquiry on Rents".

The Commissioners were directed to seek and receive briefs and written submissions from various interested persons and groups and conduct such further inquiry as they saw fit.

They were also given authority to retain the services of such technical, clerical and other personnel, who in the opinion of the Commissioners were required for the purpose of this inquiry.

Mr. Robert S. Huestis, Q.C., of Dartmouth, Halifax County, Nova Scotia and Mr. John D. Romans of Windsor, Hants County, Nova Scotia were appointed Counsel for the Commission.

It should be pointed out that there is a tendency to use the phrase "rent control" when referring to the situation as it exists in Nova Scotia.

Throughout the report there may be cases where the phrases "rent review" and "rent control" appear interchangeably.

We are cognizant of Chief Justice MacKeigan's statement in Halifax Developments Limited vs. Rent Review Commission (1982) 49 N.S.R. (2d) 710 at page 711:

> "This case emphasizes that the Rent Review Act is not, as so commonly assumed, a rent control act which gives the residential tenancy officer or the Commission power to fix rents. As its title indicates, the Act merely gives power to 'review' rents."

Wemention this because many of the submissions and arguments used the word "control" and we have followed suit in some of the narrative but we do not in any way suggest any conflict in opinion with the statement which we have just quoted from the Halifax Developments Limited case.

By Chapter 13, Statutes of Nova Scotia 1970, as amended - the Residential Tenancies Act, Section 6(1), the Statutory Conditions are deemed to apply to any lease of residential premises. These conditions cover: Condition of Premises, at least up to the standard existing at the time the tenant first acquired possession of the premises and as required by any statutory enactment or law respecting standards of health, safety or housing; Services; Good Behaviour; Obligation of the Tenant for the ordinary cleanliness of the interior and the repair of damages caused by the wilful or negligent act of the tenant or of any person whom the tenant permits on the premises; Subletting Premises; Abandonment and Termination; Entry of Premises; Entry Doors; and Late Payment Penalty.

Section 6(2) provides that in any written lease in respect to the residential premises, the statutory conditions listed in subsection (1) shall be reproduced in the lease without variation or modification.

Under Section 8(1), when a landlord intends to impose a rental increase, a duty is placed on the landlord to give the tenant notice of intent to increase the rent and notice must be given at least three months before receipt, demand or negotiation or increase in the rent. Subsection (2) makes subsection (1) inapplicable where a written lease provides for predetermined increases.

Under Section 11B - Protection of Tenants - a notice to quit may be set aside if a magistrate, county court judge or residential tenancies board is of the opinion that a landlord has acted in retaliation "for a tenant attempting to secure or enforce his rights under this Act or the Rent Review Act.".

It should be said here that the Act does not give any security of tenure to a tenant whose term of lease has expired.

We quote Section 11(3) of the Residential Tenancies Act in full because this section has already been dealt with in the Appeals Division of the Supreme Court of Nova Scotia, who found that Sections 11(3) (c) to (i) of the Act were ultra vires. (Burke vs Arab and Attorney General of Nova Scotia (1982) 49 N.S.R. (2nd) 181).

> "Functions and Powers of Board
>
> 11(3) It is the function of the residential tenancies board and it shall have power,
>
> (a) to investigate and review matters affecting landlords and tenants and provide and disseminate information concerning rental practices, rights and remedies;

(b) to mediate disputes between landlords and tenants and give advice and direction to landlords and tenants in disputes;

(c) to investigate allegations of violations of the provisions of this Act and the statutory conditions provided by Section 6;

(d) to investigate and review the rent charged for residential premises and determine whether the rent be approved or varied;

(e) to direct the tenant to pay the rent in trust or accept rent payable by a tenant and hold the same in trust pending performance by a landlord of any act the landlord is required by law to perform;

(f) to direct the disposition of a security deposit or money or other value or a portion thereof held by or for a landlord or tenant;

(g) to provide for the termination of the tenancy between the landlord and the tenant where the residential premises are being physically damaged by the tenant or the tenant or landlord is conducting himself in such a manner as to unduly interfere with the possession or occupancy of the tenant or other tenants;

(h) to direct that the landlord be put into possession of the residential premises where the tenant is in arrears of rent for more than fourteen days for weekly tenancies and more than forty-five days for monthly or yearly tenancies;

(i) require the payment of money by the landlord or the tenant, said payment not to exceed one thousand dollars."

In that case the landlord suffered loss of rental income totalling $1,832 as a result of the tenant's breach of the lease, and the question was whether it was open to the Respondent to raise the same issue in the County Court, or whether the matter was res judicata.

Jones, J.A. said at pages 190-191:

"It is clear from the authorities that the principle of res judicata has no application where the tribunal of first instance had no jurisdiction to deal with the matter in issue. This clearly raises the question as to whether the powers conferred on the Board by the Residential Tenancies Act are intra vires the Legislature."

In the result, Jones, J. followed the reasoning of Dickson, J. in the Supreme Court of Canada - Residential Tenancies Act (1979-1981) 37 N.R. 158. He went on to say at page 199:

> "It follows that the Board had no jurisdiction to make the determinations as set forth in the decision dated February 4, 1980. In the circumstances the plea of res judicata could not act as a bar to the proceedings in the County Court."

The Rent Review Act, Chapter 56, Statutes of Nova Scotia 1975, as amended, establishes a Commission to review all rent increases in excess of a percentage increase per annum as determined by the Governor in Council.

Where a tenancy agreement provides for no rent increase or a lesser per cent increase, then the agreement applies. (S.3(2))

Under subsection (3) of Section 9:

> "(3) Except as provided in Section 10, for any rental period between the first day of January and the thirty-first day of December, both dates inclusive, in 1978 and each subsequent year, no landlord shall charge a tenant an amount of rent which is more than the amount determined by adding to the rent lawfully charged for the same residential premises for the last rental period immediately preceding the first day of January, for which the residential premises was rented, the percentage increase determined by the Governor in Council which percentage increase shall be determined no later than the first day of September in the previous year."

Under Section 10:

> "A landlord may increase the rent of residential premises in excess of the percentum increase authorized by Section 9 for the rental periods set forth in Section 9,
>
> (a) after first having given three months notice to the tenant, if any, of the residential premises; and
>
> (b) upon application to the residential tenancy officer at least two months before the date he wishes to increase the rent; and

(c) upon being authorized by an order or decision pursuant to either Section 11 or Section 16,..."

Section 11 sets out the procedure before the residential tenancy officer. Section 12 provides that the three months notice of rent increase must be given to the tenant, with a copy of the notice to the secretary of the Commission. Section 16 covers a review by the Rent Review Commission on its own initiative or at the request of the landlord or the tenant to whom the written notice of decision is required to be given by the residential tenancy officer pursuant to Section 11.

Under subsection (2) of Section 16:

"(2) Where a landlord or tenant wishes to request a review, he shall

(a) prepare a notice in writing identifying the decision or order and the residential tenancy officer who made it; and

(b) cause the notice to be

(i) served on any landlord or tenant affected,

and

(ii) filed with the Commission

within fifteen days after the decision or order was made."

Subsection (3) of Section 16 authorizes the extension of the time within which notice may be filed with the Commission or given to the landlord or tenant.

Summary

In rental review proceedings the Act requires:

1. Notification to the tenant three months in advance.
2. Notice to the Rent Review Commission two months in advance.

3. If increase is over six per cent it must go to the residential tenancy officer to review that request.

4. The officer deals with the review and makes a decision. Either party has fifteen days to request a review by the Rent Review Commission.

5. Commission has a formal hearing.

6. Either party has thirty days to appeal to the Appeal Division of the Supreme Court with leave upon any question of law or excess of jurisdiction.

Certain information has been gleaned from officials who administer the legislation.

A landlord/tenant relationship must exist as to residential premises, commercial premises being exempt from the provisions of the Act. Many leases provide for a rental increase effective January 1st of each year (subject to the approval of the Rent Review Commission). In accordance with Sections 10(a) and 10(b) of the Act, notice of increase must be given by the landlord to the tenant on or before September 30th, and an application to the residential tenancy officer on or before October 31st. Usually the notice and application are sent simultaneously.

The tenant receives the above-mentioned notice and should know the percentage increase allowance, for example, the approved rate of six per cent for 1983.

If the suggested increase is in excess of the allowable percentage, the tenant sends his objections to the officer. He can obtain, in confidence, copies of the landlord's submission and can prepare arguments either against the statement or confirming it. The officer,

having all the information, would send his decision to the landlord and the parties affected under Section 11 stating the approved rent and setting out his reasons. If either the landlord or tenant is not happy with the decision he/she has fifteen days in which to appeal to the Rent Review Commission. Both the landlord and tenant would be invited to a formal hearing before a quorum of three members of the Commission, the Chairman or Vice-Chairman and any two other members.

The Commission would basically hear the evidence as presented by the landlord or the tenant or both; in fact, it could be a group of tenants. All tenants affected by the decision would be invited. The Commission will, upon request, open relevant files for the landlord and tenant. After the hearing, the Commission, as soon as possible, sends out a written decision in detail. Once that decision is rendered, the only thing the parties may resort to is Section 27 which provides for an appeal, with leave, to the Appeal Division of the Supreme Court of Nova Scotia. If the Supreme Court rules in favour of that application the matter goes back to the Commission to be reheard. Both tenants and landlords are given new notices of hearing.

Ability to pay is not relevant. From the point of view of the administration of rent review - data control section would basically calculate the percentage increase requested, the accuracy of the base rent and the services provided. If it is within six per cent, it is simply filed away. If it is over six per cent it is referred to a residential tenancy officer for scrutiny and decision. Once the officer has it, he deals with the tenant and the landlord. The decision is rendered, it goes out and the officer is through with it. Then, if the parties request a review, it goes to the Commission which would hold a hearing.

Sometimes a question of unauthorized rents arises and that is a matter for prosecution or of significant rebates and we understand that the office receives a phenomenal number of phone calls which it endeavours to consider as efficiently and as courteously as possible.

Mr. Robert Fowler is the Director of Rent Review and Administration for the Department of Consumer Affairs, and is in charge of the day-to-day activities. Mr. Randall Duplak is Chairman of the Commission; a full-time position.

COMPARATIVE COMMENTS FROM OTHER JURISDICTIONS

There has been much discussion on the problem. For example, in Ontario in 1978 there was a document prepared called "Policy Options for Continuing Tenant Protection" and submitted to the Minister of Consumer and Commercial Relations in Ontario at that time, the Honourable Larry Grossman, Q.C., by Mr. W. M. Robbins, Executive Director of the Rent Review Program.

Page 16:

> "The notion that rents should be able to increase only by the same dollar amount as costs carries with it certain important implications. Such a principle violates the long-established pattern of returns in the industry whereby buildings start out in their initial years with low or negative returns and the profit margin improves over time. Also, while Rent Review did not create the cost-revenue imbalance which preceded it, it severely limits the elimination of such an imbalance in that the best a landlord who is experiencing an excess of costs over revenue can do, is to attain a break-even position. Thus, he cannot earn a return on investment as he would have been able to earn on almost any other investment. Finally, for those landlords who were earning a positive return on investment, the cost pass-through rule, by freezing the absolute dollar amount they earn, results in a declining return as inflation eats away at the fixed dollar amount of the profits allowed. This implies that the financial incentive to landlords is progressively being undermined."

Further, at page 17, he suggests that while the slump in rental production was not caused by rent review, the program may have helped to perpetuate a low rental housing production condition. The document did say that rent increases have gone up roughly in line with the income increases, and it goes on to consider the practice of using tenants income as relevant to decisions.

Page 17:

> "The Rent Review legislation is not structured to consider the relation of an individual's rent in relation

to income, but rather it was tied to the cost considerations of the landlord. Nor could the legislation have been structured so as to include consideration of tenant income without grave consequences. Such a system of tying private rentals to tenant incomes would unduly punish, perhaps to insolvency, landlords who happen to rent to those on low incomes (and unduly reward those renting to high income tenants) and would lead to a strong bias on the part of landlords against renting to those suspected of low incomes - including the elderly and the disadvantaged."

And further on page 17:

"The cost to the province of administering the Rent Review Program is some $7.5 million a year. However, there is, in addition, another cost related to the program; that is, an income transfer from landlords to tenants where an allowance for full costs plus return on investment does not occur. There are a large number of small landlords from whom such a transfer is made.

Thus, the current design of the Rent Review legislation is such that it should be reconsidered in the light of longer-term effects. While it has served well as an interim measure that avoided excessive increases associated with the crisis environment, it is clear that some other way must be found to deal with the longer term."

At page 21 are set out some matters dealt with as Part IV in the Landlord and Tenant Amendment Act, S.O. 1968-69.

" ·introduction of certain contract principles into residential tenancy law;

·creation of a duty on the landlord to repair and maintain all rented residential premises;

·abolition of security deposits for damages while permitting a deposit for the last month's rent;

·requirement of the payment of interest on the security deposit;

·requirement of delivery to a tenant of a copy of a written tenancy agreement when signed by the tenant;

- abolition of seizure of a tenant's goods for arrears of rent;

- prohibition of landlord or tenant changing the locks during occupancy without mutual consent;

- provision that a landlord could regain possession only under the authority of a court writ of possession and that landlords could not evict tenants without a court order;

- provision for some relief against landlords' retaliatory evictions."

On page 23 of the Policy Options document, a discussion follows of the steps taken in other provinces. It was pointed out that the recent legislation whose aim was to correct what appeared as an imbalance of the rights and duties of landlords and tenants made it difficult for the regular court system, and hence residential tenancy tribunals or boards were established, where procedures were less formal. The Law Reform Commission of British Columbia mentioned "the ability to make quick decisions without evidentiary restriction based on a knowledge of what is generally acceptable behaviour between landlords and tenants and among tenants themselves...".

We have already referred to the ruling in Burke vs. Arab. Since then Nova Scotia has enacted legislation embodied in an amended section - 10A of the Residential Tenancies Act which provides:

> "10A (1) A landlord or tenant may apply in the form prescribed by regulation to the county court of the district in which the premises are situated for an order
>
> (a) declaring the tenancy to be terminated;
>
> (b) setting aside a notice to quit;
>
> (c) directing that the landlord or tenant be put into possession of the residential premises;

(d) directing the tenant to pay the rent in trust to the board and directing the board as to the disposition of the same;

(e) requiring the payment of money by the landlord or tenant;

(f) requiring the landlord or the tenant to perform any act or cease and desist from any act."

Under subsection (2) of Section 10A:

"(2) Upon receipt of the application the county court clerk shall issue an order of the court referring the application to the appropriate board for a report and the clerk shall notify the board."

Under Section 10C(5) - Powers of County Court:

"(5) After a period of seven business days has expired from the date of the hearing of the board and whether or not a notice of objection to the recommendations of the board has been filed, a county court judge may himself or upon the application of the landlord or tenant

(a) set a date for a hearing and give directions respecting notice of that hearing;

(b) adopt the report in whole or in part;

(c) vary or reverse the report and any findings therein;

(d) require a supplemental report from the board;

(e) decide any question or issue referred to the board on the evidence taken before the board as disclosed by its report, with or without any additional evidence;

(f) make an order

(i) declaring the tenancy to be terminated;

(ii) setting aside a notice to quit;

(iii) directing that the landlord or tenant be put into possession of the residential premises;

(iv) directing the tenant to pay the rent in trust to the board and directing the board as to the disposition of the same;

(v) requiring the payment of money by the landlord or tenant;

(vi) requiring the landlord or tenant to perform any act or cease and desist from any act."

Referring again to the work on Policy Options for Continuing Tenant Protection, Section B provides an analysis of alternatives. On page 31 is set forth suggested basic criteria:

1. An adequate quantity and quality of rental housing;

2. Affordability of rental housing by tenants;

3. Landlords operation should be financially viable;

4. Resolution of disputes between landlord and tenant be accomplished with fairness and a minimum of delay;

5. Government financial restraint.

In analyzing alternatives the author suggests two levels of approach, the first involving the selection of an overall approach and the second involving a selection of specific policy options consistent with the overall approach so chosen.

There are three choices:

1. Regarding the future of rent review;

2. A decision regarding the way in which residential tenancy disputes are resolved;

3. The question as to what rental housing goals are to be attained.

Then, as to the future of rent review, he sets out four overall approaches that could be taken:

1. Continue the program more or less as it is;
2. Alter the program with basic changes aimed at relaxing controls;
3. Alter the program, with increased exemptions of various categories;
4. Terminate the program.

The author goes on to evaluate the overall approaches of future rent control on a table referred to as Table 5-1 on page 33. This table is a consideration of certain criteria:

Landlord's operations financially viable
Affordability of rental housing
Adequate quantity and quality of rental housing
Resolution of landlord and tenant disputes
Government financial restraint

The table sets out an analysis of the future of rent review.

To extend the program would make the landlords' operations financial viability worse, whereas basic changes and increased exemptions would make it better and to terminate much better.

Affordability of rental housing would be indeterminate under extension, worse under basic changes and increased exemptions, and much worse under termination. As to adequate quantity and quality of rental housing, under extension it would be worse, under basic changes and increased exemptions better, and under termination much better.

The resolution of landlord and tenant disputes would be worse under extension, worse under basic changes, worse under increased exemptions, and worse under termination - worse under all categories.

Government financial restraint would be the same as present under extension, same to better under basic changes, better under increased exemptions and much better under termination.

The paper gave detailed consideration to resolution of landlord and tenant disputes. At page 36 the author suggests that the courts are not the best forum for such a determination.

We now refer to Table 5-2 on page 35 of the Policy document. Four approaches are set out:

> "1. Continue the current structure with adjudication by County and District Court judges as at present;
>
> 2. Establish a residential tenancy board or tribunal to inform, advise, mediate and, on consent of parties, arbitrate disputes;
>
> 3. Establish a residential tenancy board or tribunal to inform, advise, mediate, arbitrate on consent and, in addition, confer on it limited authority to adjudicate matters such as the right to possession;
>
> 4. Establish a residential tenancy board or tribunal with broad powers including authority to adjudicate significant matters of dispute arising during a tenancy."

Table 5-2:

Landlords' operations financially viable	Under	1. Worse
		2. Worse
		3. Better
		4. Much Better
Affordability of rental housing	Under	1. Same as present
		2. Same as present
		3. Same as present
		4. Same as present

Adequate quantity and quality of rental housing	Under	1. Worse 2. Worse 3. Better 4. Much Better
Resolution of landlord and tenant disputes	Under	1. Worse 2. Better 3. Better 4. Much Better
Government financial restraint	Under	1. Worse 2. Worse 3. Worse 4. Worse

On page 36 of the Policy Options document:

> "Resolution of landlord and tenant disputes
> As indicated in the first section of this paper, the period from the mid-1960's to the present has witnessed a remarkable evolution of residential tenancy law. New landlord and tenant rights have been established in an attempt to arrive at realistic standards of vital interests.
>
> In Ontario the creation of these rights has not been accompanied by the formation of a special institution designed to enhance the individual's ability to effectively enforce them. Instead the County and District Courts have been required to determine any disputes concerning the application of the law. Despite attempts to adopt procedures to simplify the process of residential tenancy dispute resolution in the courts, there are indications that the courts are not the best forum for the determination of such disputes."
>
> (Note that this report was prepared February 1, 1978)

On page 36 and subsequent pages consideration is given to certain criteria listed as follows:

> "·Resolution of landlord and tenant disputes
> ·Landlords' operations financially viable
> ·Affordability of rental housing
> ·Adequate quantity and quality of rental housing
> ·Government financial restraint"

These items are then considered under conditions similar to those which are dealt with in the previous analysis.

Resolution of landlord and tenant disputes:

1. Continue as is - worse. Court action not a practical method of resolving their disputes.

2. Tribunal to mediate and arbitrate on consent - better. It would improve public knowledge and access to the law.

3. Tribunal with limited authority to adjudicate - better. The only problem is that some matters would be taken to the courts, thus the result would be two tribunals with additional costs and inconvenience.

4. Tribunals to adjudicate many significant disputes - much better. This provides greater accessibility to both landlords and tenants, greater speed of determination and minimization of costs.

Landlords' operations financially viable:

1. Continue as is - worse.

2. Tribunal to mediate and arbitrate on consent - worse.

3. Tribunal with limited authority to adjudicate - better.

4. Tribunal to adjudicate many significant disputes - much better.

Under affordability of rental housing on page 37 it was suggested there was no significant effect, but if smaller landlords leave the rental housing market there would be additional pressure for rent increases.

On page 38 the problem was considered under the impact of the structure of a tenancy dispute resolution mechanism on the quantity and quality of rental housing as follows:

1. Continue as is - worse. Landlords and tenants feel insecure in court applications personally and are concerned with the cost of hiring lawyers.

2. Tribunal to mediate and arbitrate on consent - worse. There would be no improvement in the situation for the same reasons suggested under the heading "Landlords' operation financially viable".

3. Tribunal with limited authority to adjudicate - better.

4. Tribunal to adjudicate many significant disputes - much better. Effective enforcement of tenant rights would improve the quality of rental housing and make entry into the market of prospective landlords more attractive.

Under government financial restraint the analysis is set out as follows:

1. Continue as is - worse. Some improvements must be made.

2. Tribunal to mediate and arbitrate on consent - worse.

3. Tribunal with limited authority to adjudicate - worse.

4. Tribunal to adjudicate many significant disputes - worse.

The above analysis is based on the assumption that a board or tribunal would be financed out of general revenues, although it is suggested under this grouping (see page 38) that landlords might also be willing to defray part of the costs of the tribunal if it were devised so as to simplify speedy resolution of problems.

The article points out that the establishment of tribunals of the kinds listed above involves additional expenditures, and the net result would be a phasing out of the existing municipal Landlord and Tenant Advisory Bureaus with some savings to the municipality.

There would be a decrease in legal aid, and some decrease in the demand for community legal services. On the other hand, a decision to terminate rent review would deprive tenants of the informal forum of the rent review hearings, and "could enhance the desirability of providing an informal tribunal such as described above for the resolution of these matters.". It is suggested that matters would be substantially worse in the rental area if it were not for the current level of government efforts at all levels, while acknowledging that the present results are falling short of the objectives desired. The article acknowledges that the more severe rent controls are on landlords the greater the need will be for publicly assisted housing.

Pages 39 and 40:

> "The more severe rent controls are on landlords, the greater the need is for additional publicly assisted housing incentives. The more severe the rent controls policy, the lower the general level of rents will be. The lower the general level of rents, the greater the cost-revenue imbalance facing the builder of new units, in that the rents on these units must be competitive with those of the existing market. The greater the cost-revenue imbalance, the lower the level of unassisted rental building and the larger the shortfall of rental starts below requirements, thus, the greater the need for publicly-assisted housing measures will be."

Under attainment of housing goals there must be a review of current efforts relative to needs and to consider an increased effort through the use of the five criteria.

Any rent review program should address itself to those with low incomes who spend over 25 per cent to 30 per cent of their income on rent.

Government policies that subsidize either demand or supply for rental housing are ways of attempting to reconcile the tenant's problem of affordability with the landlord's concern over financial viability to allow the production of an adequate supply of rental housing.

Page 39:

> "By easing financial difficulties on both sides, there may also be some easing in other sources of tensions between landlords and tenants. Thus, such programs promote the achievement of four of the five evaluation criteria we have set out."

Page 40:

> "Conclusions
>
> It is clear from the foregoing that choosing overall approaches to Rent Review, a mechanism for the resolution of residential tenancy disputes and housing policy will not yield definite conclusions that will be universally acceptable. Nevertheless, by proceeding to outline the strengths and weaknesses of the various approaches, it is hoped that the basis has been established around which a broad consensus of opinion can be formed. The most important feature of such a consensus is the recognition by all parties to the debate of the need for a balanced consideration of the issues and policy concepts that have been discussed."

CHAPTER VI - Page 41:

After deciding the overall approach to take, the question of the specific policy options that are consistent with the approach arises.

These second level decisions to be considered in each of the policy areas are:

Rent Review

Landlord and Tenant Relations

Housing Policy

Page 45:

Nine policy areas for consideration:

1. Provision regarding subletting and assignment of residential tenancies.
2. As to arrears of rent - the grace periods and procedure for forgiving the late payment of rent should be curtailed.

3. Re over-holding tenants, provision could be made for damages for loss of vacant possession.
4. Abolition of accelerated rent.
5. Disposition of personal property left by a tenant who has abandoned the premises.
6. Enforcement of obligations by court or tribunal.
7. Termination of tenancy for -
   (1) failure to comply with an order
   (2) agreement of sale in good faith
   (3) compliance with an order by provincial or municipal authority respecting health, safety, building or fire prevention standards.
8. Rights of tenants against other tenants.
9. Right to demand renewal of a term tenancy. (Security of Tenure)

We have set out the extracts from material in the Ontario document with some detail to indicate the reasoning in 1978.

The charts give some comfort to those who argue that rent review should be abolished but the legislation in most provinces has not been repealed. In one, however, New Brunswick, it has been repealed but a new Act was proclaimed on July 15, 1983.

Alberta has no such statute in force at the present time, but it has advanced substantial sums from its Heritage Trust Funds to provide additional housing accommodation.

An announcement of July 7, 1983 disclosed that legislation was introduced in British Columbia to "...deregulate the rental housing market...".

Sweden was cited to us as one country in which such legislation has been abandoned but the tenants groups have submitted that in that country massive sums have been provided by the government for public housing.

It is interesting to note that one of the submissions from a substantial real property owner in the Province said that one reason Sweden had given up controls was that corruption was appearing in situations where individuals were endeavouring to avoid the terms of the rental legislation.

SUBMISSIONS

A vast collection of submissions was presented, both written and oral, at the public hearings before this Commission indicating deep concern and careful preparation. They were most helpful.

It was apparent from the beginning of this inquiry that a great disparity existed between the views of tenants on the one hand and the landlords, developers, and indeed business groups and boards of trade on the other hand.

The tenants, tenants' organizations, group representatives of labour and the social services urged the continuation and the strengthening of rent review legislation, whereas the other groups took the position so often set out in the opinions of economists exemplified by the Fraser Institute that controls are the basic cause of the shortage of available housing and constitute the root of every evil they were intended to overcome.

LANDLORDS AND RENTAL PROPERTY OWNERS

At the commencement of the hearings an interesting argument was presented by a company specializing in managing the rental of superior single family dwellings. Its basic complaints were that rental increases allowed did not keep up with inflation, and in particular with mortgage interest rates, that paper work has dramatically increased because of rent review provisions, and that many owners had sold rather than operate under the review system. This company stated that it was, in fact, unfair to the extent that some wealthy bachelors or two income families were really having their rents subsidized as a result of the rent review system. One example given was the rental of $250 a month for a large house, but the owner did not have a mortgage so was not able to obtain a proper increase. This group, and in fact all submissions on this side of the argument, urged that consideration be given to market increase to encourage reasonable return on investment.

This company, along with others, suggested that rent control and rent review be removed forthwith when rent itself was above a certain level, for example, $750 a month.

There was a suggestion that if the system is to be continued, single family dwellings should be dealt with by a special tribunal akin to a small claims court.

One landlord was vigorous in his complaints. He accused the Rent Review Board of bias and described the system as "legalized theft". He acknowledged that recent decisions had improved but he still suspected political bias and complained that the Rent Review people lacked experience in real estate matters.

In his view, when an apartment becomes vacant, it should then be decontrolled and the new tenants should not be protected by the umbrella of the legislation.

Finally, he complained of secrecy. This is a matter which the Commission finds disturbing. We encountered a situation where a manual by which decisions were reached was considered confidential by the officers. It is clear that limitations have been placed on the right to examine former files.

The courts have given consideration to this matter of secrecy. In Rawdon Realties Ltd. et al vs the Rent Review Commission of Nova Scotia (1982) 56 N.S.R. (2d) 403, Rogers, J. heard an application for mandamus requiring the Commission to allow the Plaintiff access to past files, "which relate to past rental increase applications made to the Commission in and after the year 1975 in respect to the Plaintiff's properties.".

There was some suggestion that the procedures provided in the Freedom of Information Act had not been followed, to which Mr. Justice

Rogers replied - "Surely the Freedom of Information Act was not designed to cut down access to information otherwise obtainable." In allowing the application he had this to say. We quote at page 9 of the Decision:

> "There appears to me to be an uncommon zeal on the part of the Commission to be secretive and this is to be deplored. There is no apparent need for secrecy, it only foments suspicion. An order in the nature of a mandamus will issue requiring the Rent Review Commission of Nova Scotia to allow the Plaintiffs access to past files of the Rent Review Commission which relate to past rental increase applications made to the Commission in and after the year 1975 in respect of each of the Plaintiff's properties."

As to the complaint of confidential treatment of the Manual of Guidelines, the Appeal Division of the Supreme Court of Nova Scotia has recently delivered a judgment in The Dale Corporation vs. The Rent Review Commission and The Tenants of the Welsford, (1983), S.C.A. 01127. Macdonald, J.A., at page 5 of the typewritten record said:

> "The Commission does not consider the guidelines to be regulations. Indeed, not only were they not published in the Royal Gazette, or elsewhere, but in addition the Commission refused to permit counsel for the appellant to examine them until a formal application to do so was made under s. 9(1) of the Freedom of Information Act, Stats. N.S. 1977, c. 10. The examination took place only one day before the review hearing."

There were two main issues in the case:

1. That the Commission exceeded its jurisdiction by applying the guidelines and basing a decision on an application for rent increase partly on such guidelines, and not on the evidence.

2. It was argued that non-disclosure of the guidelines was a breach of natural justice.

After referring to the authorities including the reasons of Chief Justice MacKeigan in Scott et al vs Rent Review Commission, (1977), 81 D.L.R. (3d) 530; 23 N.S.R. (2d) 504 and an Alberta case considered in those reasons, Macdonald, J.A., said:

> "In my view such principle of natural justice is applicable here. Matters such as an 85 per cent limit on mortgage financing, predetermined life expectancy of capital items and present percentage increases for operating expenses affect the rights and obligations of both landlord and tenant. Even assuming that the Commission was entitled to apply such guideline matters in this case it could not do so, in my opinion, without first making the guidelines available to the appellant. The necessity of such disclosure being, of course, to allow the appellant to properly assess its position and properly prepare its case. On this ground alone the appellant is entitled to succeed.
>
> In my opinion substantive matters should not be contained in guidelines because to do so affects the proper exercise by the Commission of its jurisdiction in considering the items set forth in S. 11(2) of the Rent Review Act - indeed, the use of such guidelines of necessity will result in decisions being made that are not based entirely on the evidence adduced and which are not made within the limited jurisdiction conferred by the Act.
>
> In my opinion, unless and until the matters of substance contained in the guidelines are prescribed by regulations or by an amendment to the Rent Review Act they should not be considered in relation to applications for rent increases. Such applications must be considered and disposed of solely on the consideration of the relevant items set forth in the Act made in light of the evidence presented.
>
> I would allow this appeal but without costs; quash the decision of the Commission dated March 17, 1983 and April 5, 1983 and remit the matter to it for a review ab initio of the decision of Mr. Jost without regard to or reliance upon any matters of substance contained in the guidelines."

The landlord to whom we have referred just before mentioning the Rawdon Realties case said that he had reached the point that he would not renovate unless the Commission allowed him sufficient increase to finance the work. The net result was that he was not keeping his properties up to the high standards of previous years.

One theme running through all the submissions on behalf of the landlords and developers is that the landlord is entitled to a fair return on his investment. The complaint is that the landlord must show some extra expense such as a mortgage on the property before he can gain an increase. That is wrong, they say. The management groups all contend that how the mortgage property is financed is quite irrelevant. One witness stated that he had been told by a residential tenancy officer that he was entitled to be repaid for his expenses but he was not entitled to any income from the property, and he put the question to this lady whether or not he would be entitled to any income at all from a property which he had not purchased at a price, but had inherited, and the reply he received was that he was entitled to no income at all.

One prominent real estate man said that the Commission's basic consideration appeared to be costs and financial return on what it conceived to be cost, whereas the premise should be uniform rent on identical apartments and the amount of rent based upon generally accepted accounting principles.

The submissions were that there should be proper appraisals and valuations of the properties and rate of return reached and allowed.

On the matter of value, one group urged that the standards should be the depreciated replacement cost plus land value as determined by a professional independent appraiser.

"This definition of real asset value would consider the value of the land, the cost of replacing the building and the age of the building in determining its value. To what extent the property was mortgaged and current rates being paid would exert no influence on determining the value of the asset."

This witness had said that he favoured consultation with an independent association of appraisers and that as construction costs go up the depreciated replacement value will also go up. At least, in his view, under that system one could see light at the end of the tunnel.

"To determine what society accepts as a reasonable rate of return could once again involve several options but the one we propose involves an average of mortgage rates. Specifically, we suggest that a reasonable rate of return could be established by taking the two year moving average of five year first mortgage interest rates charged by several prominent lending institutions. By taking a two year moving average, major temporary fluctuations would be averaged and, by using the rates charged by several institutions, particularly high, or low, rates charged by one institution would not overly influence the conclusion.

By using these definitions for asset value and by agreeing on what constitutes a reasonable rate of return, we believe it is relatively simple to then establish rent levels which are fair to all concerned. Specifically, we would propose that rent levels be determined by multiplying the asset value by the reasonable rate of return, plus out-of-pocket operating expenses, divided by 12 months.

In the case of a $25,000 apartment unit and a 14 per cent reasonable rate of return and $1,800 per year operating costs, the rent would be $442 per month.

$$\frac{\$25,000 \times 14\% + \$1,800}{12} = \$442$$

This formula, we are convinced, would be fair to all parties. Tenants would be guaranteed that they would not suffer from poorly negotiated, or simply very costly mortgage arrangements while owners would be guaranteed, if they managed their affairs properly, that their asset would generate a reasonable return."

The landlord group generally was critical of the rental authorities on two fronts: (a) treatment of capital repairs, and (b) treatment of return on investment.

One witness would have the government give notice that it will withdraw from controls in two years and provide incentives to encourage the building of new housing whether it be one or one thousand.

On the tenants' arguments for security of tenure and against the condominium philosophy, one owner said:

> "No doubt academics, theoreticians, and tenant groups will eloquently promote their interests. However, the bottom line will remain the provision of affordable rental accommodation and by whom - the government or private investor."

He did acknowledge that controls may have helped properties at the lower level, but even there direct subsidies would be better. The difficulty is, in his submission, that controls or rent review create more problems for people in real need because the housing is not there. Tenants do not realize they are being hurt because at the moment it appears less expensive to rent than to own. Generally, he felt that universal rent control or review was not the answer. Concentration should be on efforts to help the person in real need.

Another large developer said that rent review was a short term measure with long term disadvantages. There should be consistency.

There are not now healthy vacancies. There should be full disclosure with a handbook setting out a complete code of regulations. Even

the officers do not have enough guidelines, he argued. He too was against the income approach of valuation. The depreciated replacement cost was attractive as a base but the income tax people should be consulted.

This witness did speak well of the Residential Tenancies Board and of its continuance.

He felt the security deposit should remain with proper time to assess the damages. He agreed with a standard form of lease, if wide enough. Under no circumstances should a mortgage establish a market value. He agreed with the tenants' submission that there be only one increase a year.

Another developer felt that the legislation has not only distorted values, reduced the availability of mortgage money, and reduced the vacancy rate, but also as it is presently administered it overlooks the importance of replacement cost. He, too, favoured the Residential Tenancies Board.

One man said that the so-called veil of secrecy should be removed; consistency should be based on rull disclosure; more accountants should be provided for the Rent Review Commission, and there should be attendance of both landlord and tenant at all the hearings to encourage goodwill between the parties.

He supported strict enforcement against reprisals and he favoured staggered hearings.

On the matter of appraisals, one owner said that the costs could be as high as $5,500.

One woman was very upset over the whole process. In her view it was governed by votes and there is a massive expensive government

bureaucracy. She was against public housing but she did agree that each apartment complex should absorb a limited number of welfare recipients.

Another strong position taken by an apartment owner was that rents are now so artificially low that it is impossible to find a buyer for a rental property.

He accuses the Minister of being "out to destroy the industry". The Rent Review Commission thinks that a landlord should make no profit.

Controls and review have destroyed any goodwill between landlord and tenant and nothing remains but confrontation:

> "...the sooner the politicians get out of the whole problem the better."

The Institute of Chartered Accountants were not in favour of the administration of rentals as presently practiced. It appeared to be a tax on landlords without representation. The Institute felt that there should be some selective way of helping tenants in need. Four suggestions were made:

1. Relieve the owner/landlord from controls.
2. Everything should be open.
3. The process should be more efficient and perhaps staggered as is done with motor vehicle licensing.
4. There should be an Advisory Board and the Institute offered to recommend Chartered Accountants to serve on such a Board.

Another individual owner complained of lack of expertise in the officers administering the Act and in his view the whole process was based too much on political motivation.

Another large developer felt that there was no significant increase in the vacancy rate. No controls are needed for people who can pay $650 a month or over.

This company recommended massive public investment. Government should not necessarily provide the accommodation but should co-operate.

After saying that rent was such that it discouraged building generally, and even failed to encourage people who could well afford to do so from building their own homes, its presentation made these specific recommendations:

1. Encourage competitive market.
2. Assist only in case of need.
3. Encourage government not to intervene too much in the private market.
4. Concept of shelter allowance should be encouraged within three to five years, and thus phase out the rent review system.
5. The province should establish programs to stimulate rental construction.
6. Review the Residential Tenancies Act.

Another landlord company said that the large insurance companies are losing interest in financing residential properties because of the present legislation. It criticized the administration of the Act because depreciation was not allowed. Who was going to pay for the buildings? That is the question posed by this group.

This submission also supports return on replacement value less depreication.

Here the homeowners are subsidizing the tenants and this amounts to expropriation without compensation.

An example was given of fifteen units in Stellarton with a monthly rental of $250. The accountants found the loss to be $5,000 and yet the Rent Review Commission allowed an appeal and reduced the rent.

One person was particularly critical of the whole rental administration. It has, in his view, stifled private enterprise, prevented a property owner from making a return on his investment, encouraged deteriorating accommodation, and adopted arbitrary policies. He accused the Government of dismissing those with accounting experience. He reiterated that the owner of a building has a right to a return on his investment since he is the person who has taken the risks. He charged that the Rent Review Commission was adopting arbitrary policies.

In his opinion, one thing that was needed was expert resource personnel, and he again raised the objection of many others that the fact that the property was mortgaged was irrelevant in making a valuation. He made several suggestions:

1. Remove rent review entirely.
2. Provide for appeals to the Trial Division of the Supreme Court.
3. Follow guidelines of C.M.H.C. as to expenses.
4. Expert resource personnel should be utilized. He suggested the present Commission has no expertise in accounting.
5. Rents from individual units should be kept confidential.
6. Policy guidelines should be published.
7. Independent legal counsel rather than the Attorney General's Department should represent the Commission.

8. The appeal of one tenant should not be allowed to affect the rents of tenants not appealing.

9. Fair and reasonable tests should be applied to rents.

10. Generally accepted accounting principles should be applied to consideration of expenses.

11. There should be established an independent Rent Review Commission not subject to Ministerial discretion in determining appointment, and further there should be a recommendation that any person employed to carry out the review of rental property and financial affairs have professional qualifications to do so.

One couple who submitted a brief felt that housing should be the responsibility of the private sector, the free enterprise system being the most economically effective mechanism. Controls in this submission discouraged capital investment. They recommend a highly targeted direct-to-the-user subsidy scheme.

Another property owner in the province described the whole scheme of rent review as a political hot potato. The first person to pay for rent controls is the tenant. In his opinion the free enterprise system housed this country.

As to public housing he felt the costs were outrageous and gave an example where he was able to operate at $915 a unit, whereas the province's cost for such operation was $1,830.

There was even a danger of the rent review legislation resulting in corruption and he cited that as Sweden's reasons for abolition of controls.

Finally, a man who had difficulties with his own apartment development said that under rent review he was forced into bankruptcy because he was not allowed his mortgage expenses. The Commission had, he said, disallowed accounting procedures and were applying the same "self-destructive method" to maintenance.

One submission on the side of the property owners quarrelled with the suggestion that the application of rent review was "fair and equitable" when it ignored the elements of due process. In his opinion, the net result of the whole exercise is an Eighteenth Century despotism.

For example, he said, it was difficult to see how a tenant can be an opponent when there is no evidence taken before the Tenancy Officer with the result that the tenant himself cannot be cross-examined.

He charged that the Commission used some form of inflation accounting and that is frowned upon by the Institute of Chartered Accountants.

This person said that he spent $25,000 on an application because he did not know the case he had to meet.

> "Why not," he argued, "simply require an auditor's statement?"

Among his recommendations, he suggested that the Commission members be appointed for one year only and be removable for cause, and that a Committee representing all interested develop the criteria for allowing increases following generally accepted accounting principles and Tenancy Officers follow this criteria taking no instructions from the Rent Review Commission.

Decisions should include substantive reasons, procedures should follow the normal legal manner of resolving disputes and be published.

Decisions should be made promptly and there should be an appeal as of right to the Trial Division of the Supreme Court.

The proposal which he found most attractive was to abolish the review system entirely and use the money saved to pay a subsidy to those in need.

The Dartmouth Chamber of Commerce said that the Act was too universal and thus the high rent areas have benefited the most. The assessment of rental units are low and home owners must pick up the slack.

There has been a deterioration of landlord/tenant relationships and the private sector is abandoning the industry.

This board made certain recommendations:

1. All rents above $450 a month should be released from controls thus the lower income group would be protected. Once this is started there should be a great increase in the rental accommodation available.

2. Rent review should be taken off buildings over a certain size. The board pointed out that one of the great objections to rent control was that it resulted in a subsidy being paid by the landlord to the tenant, which, in fact, should be paid out of public funds. This works hardship on many small landlords or persons of limited income who depend on rental revenue for a living.

3. There should be a gradual withdrawal of controls.

4. Short term measures should be taken to alleviate hardships to many tenants during the transition period.

5. Landlords should be encouraged to put their own limits on rent increases.

6. Policies should be directed toward people rather than towards property.

As to Patrick King who has been in the real estate and development business for many years, he said that before controls landlords

would accommodate a tenant who was suffering a hardship but now the relationship between landlord and tenant was not good. There was a lack of uniformity in rent even in the same building. He emphasized that a building with high interest mortgage was likely to get a higher rental decision than one free and clear of mortgage. In his view the findings of the Rent Review Commission should be public and the right of appeal increased. The whole system should be handled by a body completely independent from government. He listed the following points which, in his opinion, resulted from the rent review system.

1. Values of accommodation have decreased because of lack of maintenance.

2. The Review Board should have a predetermined formula for valuing rental accommodation if controls continue.

3. Assessments have been affected.

4. Rents have not kept up with the rate of inflation.

5. Substandard rental accommodation is encouraged by the system.

6. Renewal of equipment was very common before rent controls came into effect, after at least seven or eight years, but now there is a resistance on the part of landlords to make such regular renewals.

7. As a result of the reluctance to provide new equipment and improved maintenance, modernize bathrooms, hallways and entrances, jobs in factories are being lost and the effects on the whole economic situation is severe.

Coast Realties Limited - Mr. S. E. Blunden - This submission accused the Rent Review Commission of bias and faulty administration and it alleged that many owners were literally walking away from apartments. Values, he said, should be based on today, not some years ago.

Mr. Hedley G. Ivany spoke on behalf of the Ivany Apartment Company Ltd. He was not extreme in his position and indicated that elderly persons should be assisted by a rent subsidy. He felt that the valuation of buildings should be brought up to date. He disagreed with the review authorities who took the position that their duty was to look at expenses and were not concerned with values. In his opinion rentals should be based on the valuation of the property and we need a little bit more flexibility.

Another independent apartment owner found great difficulty in even making a living from the rents. Inflation, he said, was a fact of life. He complained about the fact that it was impossible for him to charge as an expense, under the present system, work which he himself performed. He was allowed nothing for his own labour. This point has been mentioned in other submissions. He pointed out an incident when he himself would be out shovelling the snow in the middle of winter and his prosperous tenants would arrive sunburned from expensive holidays in the Caribbean, an expense which he alleged he himself could not afford. In his submission, the more work he did the less would be reflected in the statement of expenses and thus the less he could obtain from the rents. He made the point that there was no inspection of the building when rent was being reviewed and he thought that that was wrong.

Mr. Richard Carrier of Real Estate Management Limited said that buildings of six units or less should be free from controls. He too alleged that there was a deterioration in the atmosphere between landlords and tenants since the review process was instituted. He would release properties from controls renting from $700 to $750 and he said that the property which he rented for $500, if not subject to rent review, he would be willing to rent for $350. In October 1982 when they added the newer properties the situation became worse. He criticized the method of amortization of expenses as being irregular and said that the budget under the system was a guessing game. On

this matter of amortizing improvements, he said that appliances seemed to be given a term of seven or eight years, smoke detectors 12 years, carpet, etc. eight years, light fixtures five years, although it was apparent that light fixtures should last much longer. He also complained of cost to the investors to prepare the rent review and felt that this should be allowed as a proper expense.

He took the position that applications should be staggered.

He discussed the question of market value over income less costs and he asked whether when a property is sold the extra financing was allowed as an expense. High financing, in his submission, is a very severe problem. What is allowed? How is it to be done? His reply was that we really don't know what the instructions are. Finally, he said, that he had a great respect for the officers but they lack guidelines.

Mr. Allan P. Boudreau appeared for Mr. and Mrs. Gaston Chagnon. Their complaint was not so much of the review but of the system itself. It was suggested that there was no consideration of the work which the owner puts into the building. Six points were raised:

1. A test seems to be solely on the basis of the financial statement. Neither owners or tenants have access to the files which should be available to both.

2. No visual inspection of property takes place.

3. No consideration of owner contributed services.

4. No need for this "monstrosity" as he describes the present system.

5. While the system may help to solve one problem, it can interfer seriously with another.

6. The three parties - owner, tenant and rent review officer should be represented at the same hearing. He pointed out the dangers of investing too much power in one person since power corrupts human

nature. Finally, he suggested three years of deregulation and said that so far as his tenants were concerned 100 per cent of them were good but in these times, with no vacancy rates, the whole concept of fair competition is in jeopardy.

He complained that the well-to-do people were being subsidized by the landlord and he suggested that in his own case just because he had earlier helped some tenants who were in need he was now being penalized by being restricted by comparison with those lower rents given under such remedial circumstances.

Another individual, a real estate man, appeared before us and said that the controls became effective after a relatively short period of time and that in the absence of some form of control on the price of other items, rent review cannot compete with inflation. He recited three propositions:

1. Rent control provides affordable housing. Not so, he said, controls constitute more of a hindrance by discouraging investment and encouraging poor maintenance and deterioration.

2. As to senior citizens, some thought should be given to those who have invested their own life savings in rental property.

3. In order to prevent owners amassing wealth at the tenants expense, the rent review system is emphasizing the abuses of a few against the rights of the many good landlords.

In his opinion, the costs of rent review are ultimately borne by the tenants. His position was that the whole system was ineffective and that the proper way to handle the problem was to protect vulnerable individuals by government subsidies and then the burden of the subsidies would be spread among all, and not simply be placed on one class namely, the landlords. If someone is hurting we should certainly take care of them, but not by this present method. There are, in his view, other ways to give social benefits.

One written submission dated October 22, 1982 made similar complaints. The writer felt that the work of the Rent Review Commission was a confiscation of the potential earnings of investors and he himself personally was being deprived of what he thought would be some protection against retirement. He raised again the issue of the failure of the Board to give any return on his investment.

A real estate man was opposed to the system and stated that it artificially suppressed the rental market levels in the entire province. Among other things, he suggested that reviews should only be held at the request of at least 25 per cent of the tenants in any building.

Finally, one developer said that he was 100 per cent in favour of the rent review system but he disagreed with its administration. He felt it wrong to endeavour to set rents without a property inspection. He, of course, was opposed to placing the burden of subsidizing rents on the landlord. That, he said, is a matter for the government. He disagreed with the theory that a person in the rental business should not be entitled to some profit.

SUBMISSIONS OF TENANTS

Turning now to the submissions on behalf of the tenants, the Nova Scotia Federation of Labour emphasized the theme that workers are entitled to adequate housing which is also affordable. It is not enough to make facilities available which are beyond the means of these workers. Housing can no longer be considered a free market commodity in this Province, and people are entitled to assistance in owning their own homes.

This organization urged that Boards should roll back increases beyond those established and there should be stiff fines for abuse of the legislation.

It favoured security of tenure with eviction only for just cause, similar to provisions on dismissal without cause in collective agreements.

It opposed security deposits suggesting that all they did was to provide apartment owners with a pool of money without having to borrow.

Briefly, the other recommendations of the Federation are:

1. Automatic renewal clause for tenants.

2. Right of tenant to have repairs made and submit the bills to the landlord for a reduction of rent.

3. Practice of requiring more than one month's rent in advance should be stopped.

4. There should be no more than one rent increase in any twelve month period.

One group of tenants from a large apartment in Dartmouth alleged that a $3,000,000 mortgage was placed on the building when there

was no mortgage before, and up until the Spring of 1982 the tenants were satisfied. The building changed hands and an overall increase of 46 per cent in rents was demanded.

This group made certain recommendations:

1. It suggested a standard lease.

2. Clear statement that rights of tenants should not be overriden by any lease clause.

3. Automatic renewal with reasons for non-renewal clearly defined.

4. Acknowledgment of the right of tenants to organize without fear of reprisals.

To improve the regulations the following suggestions were made:

1. Time lapse between the tenant's notice of a proposed increase and the decision of the Commission is too long. Landlords should provide their supporting material at once.

2. There should be better training for Rent Review Officers.

3. Decisions should be consistent. The 1981 Staff Report by the Ontario Planning Department should be studied. Three of the points there are as follows:

> "1. Speculator investment in converted apartments has been a principal component of rapidly rising condominium prices;
>
> 2. Speculators have held large blocks of apartments off the market, thereby artificially reducing the supply and creating a demand otherwise not there;
>
> 3. On average, just under 40% of all apartments converted have been held by speculators rather than owners."

The group suggested that conversion to condominiums created runaway profits for speculators and made substantial recommendations:

1. No condominium conversion of buildings constructed and financed by the taxpayer, that is, C.M.H.C.

2. No condominium conversion of buildings more than five years old.

3. No condominium conversion of buildings not structurally sound - there should be standards for condominium construction and conversion written into the National Building Code. An example was given of some units where one tenant wishing to turn off the water supply must enter the next door apartment to do so.

4. No condominium conversion unless more than 50 per cent of existing tenants approve. It is pointed out that the percentage required in Vancouver is 66 per cent.

5. No condominium conversion if more than 50 per cent of the residents are over 60 years of age.

6. Tenants over 60 years of age with incomes at or less than poverty rate should be allowed to continue as tenants at a reasonable rate.

7. If buildings must be converted to condominiums, long term tenants should be allowed a time equal to the length of their tenancy to find suitable accommodation.

8. Based on the fact that long term tenants have contributed to the retirement of the owner's original debt, they should be given rebates on the purchase price of their units commensurate with the rents they have paid during their tenancy.

9. Developers should obtain consent to convert to condominiums from local Councils who would be more familiar with local conditions than the Provincial Government.

10. A certificate of condominium conversion could then be denied by either the municipal or provincial governments if such conversion would significantly reduce the number of rental units in the area.

11. Consideration should be given to providing funds to cover moving expenses for tenants so dispossessed. It is pointed out that in Edmonton the By-laws call for a $500 allowance through the developer.

Finally, the submission quoted the papal message of 1981, that private ownership should not be "absolute or untouchable".

Tenants from another large apartment building in Halifax spoke well of the Rent Review Commission. They alleged that the owner was seeking a 70 per cent increase to cover a $600,000 equity.

One submission said that the tenants should not be forced into debt.

> "...to pay the kinds of extravagances the landlords have exhibited."

One person said that there should be a moritorium on conversion of rental units until a comprehensive legislative package is complete addressing the problem of conversion.

She raised five points on conversion from tenant accommodation to condominium units:

1. Unrestricted conversion, the absence of significant new rental housing starts will decrease the existing rental units and add to the already undeniable shortage of rental housing.

2. The decrease in rental housing will primarily affect the availability of middle and lower priced accommodation, for which there is the greatest need.

3. There is an existing legislative policy to control rental increases through rent control legislation. This policy is thwarted by condominium conversion of rental property formerly subject to rent control.

4. Special protections are required for "vulnerable" renters such as the elderly, handicapped and single parent families who are generally on moderate to low fixed incomes.

5. Conversion, when it does take place, should proceed in a manner that will have the least detrimental impact on existing tenants.

The Catholic Social Service Commission suggested a change in the Statutory Conditions under Section 6 of the Residential Tenancies Act to avoid perpetuating substandard housing.

There should be a change regarding security deposits, and the ten day provision in Section 9(5) of the Act was questioned.

The brief supported security of tenure.

There was a suggestion of a "correction" where the tenant could rectify a valid complaint of the landlord for such things as property damage. We quote the last words of the verbal submission:

> "There are people hurting now. We do know of violations of the City's By-laws with which the people would rather live than risk action by the landlord."

One person, while acknowledging that a tenant should have some security, said that he does not have the right to take over the property.

On the other hand, he did not agree that there was a shortage of housing, and he was not sympathetic with developers. He discounted the arguments that controls were the cause of reduction in new construction. He felt landlords' claims were outrageous and that elderly tenants are bewildered and apprehensive.

Low income people, he said, should be accommodated in subsidized housing.

The City of Dartmouth Social Services indicated that many low income people, including single family parents, were paying far more than they could afford for housing and usually for substandard housing.

"Mingling" was recommended, for example, retired parents moving in with the married children. This can only be done where the parties are compatible.

It is suggested that the Rent Review Commission is often too generous when it gives more than one increase in a twelve month period. Many of the increases were given to landlords who had to renew mortgages at higher rates of interest. The comment in this submission was:

> "We are not saying these increases were unjustified, but the tenant and the Municipality paid the price."

There is a social problem of increases given on the basis of future improvements which were not actually provided and security deposits should be discouraged because many were never returned and they were not really necessary.

This organization agreed that hearings should be staggered.

It acknowledged that there is a critical need for at least 100 family units and at least 75 senior citizen units in the Dartmouth area alone. The active waiting list last year was 621.

The Dartmouth Social Services group, while acknowledging that interest rates were relevant, did not agree that the rent review legislation inhibited construction.

In its view the Commission was fair, but time absorbed on reviews was somewhat lengthy.

Finally, the group recommended a standardized lease, a modification of security deposits, and the appointment of an arbitrator in claims for damages.

A tenant favoured security of tenure and felt that the conversion of existing buildings should be stopped. He did not agree that rent controls caused the low vacancy rate, rather it was the oversaturation of a transient labour force in urban areas.

In his opinion, the review body was necessary, although bogged down by the workload.

He was troubled by the battle between the "two groups of individuals to support their respective interests". He recommended the establishment of a "Home Act" to settle such things as security of tenure, a Commission to settle the standard lease agreement, and a moritorium on condominium conversion.

He referred to hardships caused by forced moves. Low vacancy is directly charged to the interest rate.

There may well be more housing available but conversion will only aggravate the short supply. In his view, a review of steps taken elsewhere is relevant and he mentioned the Report of the Halifax City Solicitor to the Committee of the Whole Council of April 19, 1982 referred to in the memorandum of that Committee of May 5, 1982 which analyzed the situation in the other provinces in Canada and it was pointed out that the matter of the conversion of apartment buildings to condominiums involves a conflict between the social needs of those citizens in the apartment rental market and the rights of property owners to deal with their own property.

We quote from the memorandum:

> "...In addition to the pure legal rights there are the expectation(s) of both groups of citizens in our society. When citizens make the decision to become lessees of a property they have very often given up the security of home ownership to do so. They take this step in the full expectation that the building in which they will become lessees will continue to be available to them providing they pay rent and observe the other conditions of their contract.
>
> The property owners when they invest in a property under the laws of our country expect their rights will be protected and they will always be able to use their property within the framework of law in a manner which will yield to them their greatest economic return. There is a division of opinion as to why so many conversions are being undertaken and it is therefore recommended that a public

> meeting be held to determine what City Council's position in the matter should be. It is apparent from the foregoing that a change in Provincial legislation will undoubtedly be required to effect any meaningful change in the situation."

This tenant submitted that many good people are demeaned because their income does not cover the rent which is demanded and it is necessary for them to go for help and seek subsidies from welfare agencies. In his view, the lifting of controls is going to cause chaos. He pointed out that his wages are held at six per cent and it does not seem just that he has to pay an eighteen per cent increase in rent, even with controls.

It was his opinion that the Rent Review Commission was a fair body, very professional, with hearings often held in the evening hours.

He pointed out that this whole problem of rents causes anguish to a great many citizens and he emphasized the position that a certain percentage of tenants should have to agree before conversion from a relationship of landlord and tenant to condominium. He suggested the standardized form of lease as very often tenants do not carefully read what they sign. Such a lease should at least cover the basic things that should be provided.

On security deposits he felt that there should be an independent appraiser of an Ombudsman type to determine damage. Sometimes, he said, the amount of the deposit is too high and the rate of interest thereon too low.

On security of tenure he agreed that there should be a qualifying time but he emphasized that conversion of existing buildings would have to stop and one should not be "condoed" out of his or her apartment.

Another tenant in the same group from the same apartment building referred to "four and a half months of anxiety".

In his apartment there was a demand for a 73 per cent increase but the result was much lower. The requested raises averaged from 54.5 per cent to 106 per cent and the approximate range of those allowed were 5.8 per cent to 29.4 per cent. He agreed that there are certain anomalies of unequal rents based on those paid by tenants at the beginning of their leases.

This tenant, in his submission and in a summary which he forwarded by letter, recommended the following points:

1. The Act should be reworked to accommodate the principle that tenants be entitled to an actual three months' notice of rental increase.

2. That a mechanism be developed to reduce the impact of deviations from forecasted interest rates.

3. That an exchange of documents be required prior to the Rent Review hearings, or, as a second choice, that subsequent submissions be accepted.

4. That guidelines used by the Commission be promulgated and subject to debate (on a year-to-year but not an application-to-application basis).

5. That a longer term interpretation of Return on Investment be considered to take into account expected Capital Gains.

The group entitled Canadian Pensioners Concerned Incorporated spoke in more general terms, not so much endorsing a confrontation between landlord and tenant, but more on the general problem of lack of adequate accommodation and its serious effect on tenants in low income brackets and of advancing years.

Society jumps from one emergency to another without any real plan to overcome the serious situation faced by these people.

As one speaker put it, referring to senior citizens:

> "There are more and more, and they are also going to be poorer."

On the question of security of tenure it was pointed out that good tenants of many years standing do and should have an interest in the property.

> "Tenants should have a right to claim a portion of the profit resulting from increased value of property as a result of tenant contributions toward cost of improvements and renovations that produced the increased value."

More attention should be paid to the construction of buildings and the Human Rights Act should be applied.

There should be very strong legislation incorporated in the Condominium Conversion Act, more detail in the Act, such as the payment of moving expenses. There should be a type of Ombudsman incorporated in the system.

One Union suggested that the government should set up a Crown Corporation in competition with landlords.

On deposits, the argument was that the security deposit was seldom redeemed and there should be an independent inspector to determine the amount of damage, if any, that a tenant had created on the leasehold property.

Security of tenure should apply from the first rent increase. The Union suggested seven points:

1. Rental units at a favourable rate.

2. A fair return to landlords based on good business.

3. Renovations and/or maintenance increases accounted separately and removed from the rent after cost had been retrieved.

4. Tenure for tenants.

5. Severe penalties to landlords for not carrying out commitments.

6. When a landlord applies for exclusion under the controls they no longer qualify for maximum allowable under the controls if unsuccessful.

7. The Provincial Government disregard the cries of landlords as they are the masters of their own destinies. The unfortunate part about the problem facing the Commission is not the act of responsible landlords, but the irresponsible ones.

The Committee on Concerns of Aging included in their brief a letter from Alderman Ron Cromwell suggesting the following amendments to Chapter 14, Acts of 1982, the Rental Property Conversion Act:

1. No building built earlier than eight years previous to application can be considered for conversion.

2. That all buildings being considered for conversion meet the following requirements:

   (a) all present building codes,
   (b) landscaping,
   (c) fencing, and that consideration be given to projected major increases in maintenance costs due to the condition of the building at the time of conversion.

3. (a) that conversion not be considered where one-third or more households occupying the building object to the conversion,

(b) further to Section 4(1b) and Section 4(2b) of the Rental Property Conversion Act, that $500 in moving expenses be provided if the tenant chooses not to buy the suite he lives in.

4. If the rental accommodation vacancy rate falls below 3 per cent in the city, that the City of Halifax would have the authority to automatically reject all applications for condominium conversion.

5. That the provincial legislation be amended, giving the municipalities the authority to bring forth their own legislation based on the above recommendations.

The City should have the power to determine the need for conversion and "all older citizens should be protected in law from this treatment and insensitivity of some of the recent conversion in the City of Halifax."

There should be minimum standards of accommodations clearly laid down in the Condominium Act.

Security of tenure was recommended after five years to a good tenant.

Perhaps the government must involve itself in this whole problem as many good citizens who thought they were safe are practically living on welfare.

Neighbourhood Housing Association argued that massive rent increases are being requested and many granted.

On security of tenure, the Quebec legislation was recommended. This group was concerned with co-operative housing, and it may well be the answer with the Crown Corporation being a legitimate part of the solution.

It was argued that there should be increased work with co-ops and landbanking whereby the city should make more land available.

A mobile home owner tenants association sought more public interest in mobile home parks. There were complaints of poor water pressure and the right of eviction on three months' notice. In this particular case the landlord also made an appearance. We shall say something about mobile homes later in this report.

One tenant felt that controls must be more stringent as investor demands were outrageous. There was a suggestion here that certain landlords switch from one building to another, thus charging the expenses of the one property to the other.

In his view, when unreasonable increases are sought and obtained, the sale of the property should be denied for five years.

This tenant suggested a ceiling on rental increases for old age pensioners and those on fixed incomes based on indexing or some other formula; follow-up on improvements; figures on which appeals are based should be actual and not projected; financial statements based on actual receipts and disbursements, not accruals or income tax oriented expenses; stricter policy on security deposits; protection against harassment; revenue earned from the building should stay there and not go into general funds; and there should be classification based on the quality of the accommodation.

Several groups were critical of increases on the basis of repairs and improvements, either never performed, or ones that could be demanded under the terms of the lease.

The Nova Scotia Association of Social Workers included submissions on the plight of the single parent.

The problem of blacklisting was raised.

Eleven points were recommended:

1. Lease agreements should be standardized in accordance with the provisions of the Residential Tenancies Act.

2. Tenancy should be secured by legislation, except in cases where there is just cause for issuing a notice to quit.

3. Security deposits should go to the Residential Tenancies Office and should be returned to the tenant upon application at the end of the tenancy, unless there is a counterclaim for damages or rental arrears.

4. There should be a campaign by the Department of Consumer Affairs with respect to the recent amendments to the Residential Tenancies Act, so that tenants may have more information with respect to procedure and the relationship of the Board to the County Court.

5. The Rent Review Act should be amended to include condition of premises as a factor in determining rental increases.

6. The onus should not be placed on the tenant to come to the residential tenancy officer or the Commission in an attempt to present information.

7. In the event that a rental increase is granted contingent on certain repairs or capital expenditures, the Rent Review Commission should follow-up such an undertaking rather than placing the onus on the tenant to go to the Commission.

8. The Rent Review Act be amended to prevent retaliation from landlords toward a tenant who has exercised his/her right by appearing before the Commission.

9. The Human Rights Act should be amended to include "no discrimination on the basis of the family type" and "source and level of income" so that landlords cannot continue the common practice of adults only buildings, no welfare or fixed income facilities or persons.

10. The Human Rights Act should be amended to prohibit all forms of blacklisting with respect to housing accommodation. (It should be pointed out, however, that while blacklisting in itself is offensive, it might be asking too much to demand that a landlord be forced to lease his property to persons who, to his knowledge, cannot possibly pay the rent.)

11. The Residential Tenancies Act should be amended to give protection of a reasonable period of notice to tenants living on a property which has been foreclosed.

The Maritime School of Social Work made the point that all government efforts to deal directly with large investors were a failure and the only solution was for it to put more into housing, not directly, but through co-ops.

It criticized the investment owners talk of "flight of capital". "Strike of Capital" would, in its view, be a more appropriate term.

We need control or review legislation on the books so that it could apply judicially when needed.

Access Housing Services Association said that to blame lack of available housing on controls was to ignore C.M.H.C. programs.

Review provides a forum where there is no real fear of reprisals.

Periods of escalation in rents are caused by:

1. Increases in operating costs of buildings, such as taxes, insurance, heat, light and water.

2. Increases in the rate of interest on borrowed money.

3. Increases in rental housing construction costs which include land costs, material, labour, financing.

4. Market pressure demands increasing beyond supply.

5. The cost of property maintenance and improvements.

6. Increases in the amount of borrowed money to finance rental ownership.

Tenants should not be expected to totally protect the landlord from the true cost of investment financing.

After some analysis of these points, the submission recommended that rent review be maintained in order to provide a forum for tenants to express their rights and appeal rental value injustices, and that landlords be required to provide accountability of operating expenses in order to assure better management practices.

The government should be involved to generate new rental housing construction through the use of landbanking.

Non-Profit Housing Federation of Nova Scotia described the co-operative movement generally. It noted that C.M.H.C. was helpful in providing:

1. A start-up grant.

2. Guarantee.

3. Seeing that operating costs are built into the rent.

4. Providing a subsidy to reduce interest to two (2) per cent.

5. Assuring that the co-operative takes as many as fifteen (15) per cent in low income brackets.

Rent would be 25 per cent of income.

The Federation does support rent review in general but seeks a more informed approach from government on the beneficial work that this group can perform.

Housing should be part of government policy. Cost of land is a problem.

Social Planning and Development Division of Halifax was concerned over the plight of the economically disadvantaged. Rent review was not the contributing factor in the situation - there are many complex and inter-related variables. It was pointed out that 80 per cent of municipal social assistance recipients were housed in units subject to rent review, and multi-shelter allowance is not adequate to cover the rent. Most of these recipients are in fact good tenants. Before rent review is abolished, alternatives should be available.

It was suggested that tenants may refrain from asserting their rights under the legislation for fear of jeopardizing their tenancy.

This brief listed what it referred to as "phenomenon" as found in a recent survey of local assistance officers:

1. Landlords selectivity, increasing incidences of refusals to rent to families with children, and social assistance recipients, even when the rent charged was within the means of the client.

2. Irregular leases. Clients are entering into agreements which absolve the landlord of responsibility to give adequate notice to quit.

3. Request for deposits are being made in excess of one-half of the rent per month.

4. There are an increasing number of evictions due to foreclosure, and it is noted under this heading that it is the understanding that in case of receivership, the provision of the Residential Tenancies Act does not apply.

5. There is an increase in the number of clients requiring emergency shelter as a result of items listed above.

Some suggestions were provided:

1. Reliable data on the effects of the present legislation is needed.

2. Funds should be available to the three levels of government for a comprehensive analysis of the factors affecting rental accommodation and pending the strategy, the rent review process should remain in place, implemented in a consistent fashion, and there should be minimum standards regarding adequate notice to quit, and the residential tenancies board should act as a repository for security deposits.

The New Democratic Party presentation was made by Mr. Dennis Theman, as Mrs. McDonough was unable to attend because of illness.

He stated that the three factors which must be considered are:

1. High interest rates policy.
2. Drastic reduction of direct involvement of the Federal Government.
3. Provinces lack of long-term housing program.

We are short 32,000 rental units in the metro area.

Mr. Theman argued that in 1979 Manitoba and New Brunswick had no rent review, but had fewer building starts than Nova Scotia.

The Residential Tenancies Act is inadequate. There should be a standard lease, security of tenure, and in the case of mobile homes, better provision regarding services. Security deposits should be abolished, and the Rental Property Conversion Act should cover those with at least two rental units. We should refer to both Saskatchewan and Ontario legislation.

Subsequently, the New Democratic Party submitted a full written memorandum which contains many helpful suggestions.

The Canadian Union of Postal Workers reiterated the need to consider the availability of rental units, standard lease, rental costs, security of tenure and evictions.

> "If workers are confined to 6% and 5% increases per year, then a landlord should be restricted to the same."

In fact, Mr. Philip Power, for the Union, said that random increases averaged 12.8 per cent in Nova Scotia last year. We quote from the Union's written statement:

> "In summation, I say there is a drastic need for more subsidized housing and lower rental units within Nova Scotia. There are changes needed in the laws governing renting to ensure that tenants have rights to standard leases, tenure, reasonable rents and protection against arbitrary acts of landlords. It is the responsibility of the elected M.L.A.'s of this province to see that everyone is assured of a job, food, and proper living accommodations. The conditions within this province can only be attributed to those who are responsible for running it, not the citizen who bears the brunt of these troubled times."

The Nova Scotia Government Employees Union emphasized again the argument that rent review was not the cause of the problems. Shelter was a commodity that should have the same consideration and guarantees as health care.

We should not abandon rent review, we should strengthen it until the problem is resolved by a progressive housing program.

It quoted from a study made 20 years ago by the Ontario Association of Housing Authority:

> "A constant claim of the proponents of 'pure' private enterprise that it could solve the housing problem should be considered against the evidence of an historic ineffectiveness... Private enterprise seems to be at its most dynamic level when protected by extensive loan guarantees and substantial borrowers equity and when properties are all sited in a bustling urban market."

After urging that the present Rent Review Commission be expanded into a Residential Tenancies Commission responsible for rent review and the Residential Tenancies Act administration, and that there be a central registry of information, this Union submitted five recommendations:

1. There should be security of tenure to stop unjustified evictions, and landlords must prove just cause before a tenant can be forced to leave.

2. There should be a standard lease setting out basic rights and responsibilities of both tenants and landlords.

3. The right to quiet enjoyment by the tenant should be maintained with penalties against the violation of that right.

4. There should be regulations regarding maintenance providing for pressing repairs to ensure that maintenance work which is charged is in fact done, and which will reduce the rent if the premises fall below certain minimum standards.

5. There should be only one rent increase a year, and guidelines for rent increases should be standard, making provision for both landlords' and tenants' problems such as major repairs and the condition of the premises.

The Women's Housing Coalition represented by Cathy Mellett and Maureen MacDonald felt that the security deposits should be lodged with the Residential Tenancies Board. Many tenants in poor situations did not even know their rights.

There are 863 families waiting for public housing units. The following example was given to us:

> "She lives in units where the rent has jumped from $360.00 to $422.00 per month. Her total monthly income is $779.00. Between May 1 and October 1 there is no heat in her unit. Between October and May, on a monthly average, she goes without heat and hot water for 3 to 4 days at a time. Yet the rental increase has been approved."

Maureen MacDonald did not accept the argument that rent review legislation caused the low vacancy rate.

The Coalition recommended that there be a program for single family dwellings. Subsidized public housing through shelter allowance scheme will not work. This would require $400 on top of the present welfare allowance.

Pointing out that Halifax did receive non-profit subsidized housing allowance from the Federal Government, the suggestions were:

1. Co-op housing.
2. Single family dwellings.
3. Subsidized housing to encourage middle class homes.
4. Landbanking to make land available for subsidized units.

Rent review should be maintained. If it were removed the poor people would still be more vulnerable. There should be security of tenure. Three months' notice is not enough. Finally, there should be a standardized lease.

Both of these women emphasized that we are talking about a very large segment of the population, and if we can straighten out their housing problems, then we can indeed talk about taking off rent review.

Mr. James Duke of Access Housing Services Association made a brief supplementary presentation pointing out that in the case of non-profit co-operatives the tenant must guarantee affordable rents for low and moderate income people. He, therefore, was of the opinion the co-operatives should have the right to evict in the proper circumstances.

There should be a specific exemption in the case of co-operatives. We have already mentioned that the court has ruled that co-operatives are not affected by the Act, but Mr. Duke emphasized that they would be happier if the statute expressly provided for the exemption. Co-ops, he said, should be treated as an ownership rather than in rental form.

Dalhousie Legal Aid and Metro Area Tenants Union (M.A.T.U.) made joint submissions. Mr. Michael Coyle made the presentation on behalf of Dalhousie Legal Aid and M.A.T.U. was represented by Mr. Gerry Cassidy, Ms. Joanne Cooke and Mr. Richard Netherton.

They had no doubt that rent review at this time is necessary although admitting that there could be a time when we have reached some degree of adequacy of affordable housing, and when that time arrives, controls might well be unnecessary.

The theory that rental property owners are subsidizing tenants is a complete myth. It is high interest rates and construction costs which have attributed to low vacancy rates.

Rental property is a social necessity. Rent review may not be perfect, but it is the only practical and humane policy at this time.

This submission was very critical of the statement made by IPOANS that there will be no significant privately financed construction until rent review is removed.

> "This statement, in our view, is typical of the kind of irresponsible posturing that has clouded the public policy debate on rent review to date. First, for the reason previously stated, we do not believe the claim which amounts to a bluff, and second, we very seriously doubt that many of the local landlords, including the vast majority of the members of the I.P.O.A., have ever invested or ever seriously expect to invest in apartment construction. They want rent review removed, but for other reasons."

In his verbal submission Mr. Coyle said that these people were not builders but landlords. They never build apartments, and with the removal of rent review they can make more money.

The last month's social service recipients were paying 58 per cent of their total income on rent.

The Commission should roll back rents where the landlord has reneged on his undertaking to effect improvements which were a basis of rental increase.

Adequate maintenance should be deemed a "service" to which tenants are entitled and included in the rent.

On the matter of "natural justice" the brief said:

> "In our view, much of the controversy surrounding the Rent Review Act and much of this judicial intervention could have been avoided had the Commission and its staff placed more emphasis on openness and fair play in its procedures."

The Dalhousie Legal Aid brief made the following recommendations:

1. The Notice of Rent Increase should state that it is a notice given to the tenants by the landlord and not the Commission and that it is an application for a rent increase, not an authorization for an increase where the increase exceeds the guideline.

2. Each Notice of Rent Increase application should have with it a pamphlet setting out, in plain language, the rights of tenants to intervene and be represented during the review.

3. A copy of the summary of financial information as filed should be sent to tenants.

4. Tenants should have a right to free and easy access to past decisions and files of the Commission.

5. The public should have ready access to all rules, regulations or policy statements of the Commission.

6. The Commission should investigate the accuracy of information supplied where an officer or the Commission thinks the information is questionable or where a party has raised reasonable objection thereto.

7. Where rebates or conditional increases are ordered, the precise details of the payments should be explicitly stated and the steps to be taken in the event of non-compliance with such orders.

8. On request of either party, any decision of the Commission should be made an order or rule of the Supreme Court, as provided for in the Act.

9. The Department of Consumer Affairs should make staff available to assist landlords or tenants in preparing an effective presentation, and to make sure that all parties know the rules and have adequate opportunity to be heard.

10. The present practice under which initial decisions are rendered by the residential tenancy officer without a hearing should be ended, and the officer should be required to hold a hearing when any party so requests.

This group opposed the removal of rent review and advocated a coherent public strategy involving all three levels of government, including the construction of more public housing, utilization of non-profit

housing through co-operatives, conversion of surplus existing buildings for residential use, public landbanking, low financing for first time home builders, all combined with the more traditional incentives for commercial builders and developers.

The submission expressed it thus:

> "Investment in residential property is an investment in a social necessity. To the same extent that shelter is a basic human need, a measure of social responsibility attaches to the investment. For an investor to deny this, in our opinion, is to betray a fundamental misunderstanding of the very investment he or she has made. In our experience we have encountered many landlords who perfectly understand this. Some, however, do not and will contend that society should treat them as if they were, in reality, investors in some other, unrelated commodity or service. These landlords may claim that they have been unfairly fettered by rent review since the same measure of cost-pass-through-based price review does not apply to all other potential investments. While this may to some extent be so, it is easy to point to many other essential commodities or services where social imperatives have required, as part of the bargain, a measure of social control over prices. So it is with rents and rent review."

M.A.T.U. emphasized security of tenure. After all, they say, the tenant's apartment is his or her home.

Copies of various forms of lease were submitted to support the argument that many sections were unduly harsh. For example, non-payment by the 5th of each month could allow the landlord to obtain vacant possession by giving three days' notice, or requiring the tenant to pay solicitors' fees on a solicitor-client basis if he wished to assign his lease.

Another clause was in these words:

"If the lessees or guests of the lessee make excessive noise, or cause a nuisance to the other tenants in the building, this lease at the option of the lessor may be terminated forthwith, the lessor upon giving twenty-four hours notice, may enter and take possession."

Of all forms being used, the Quebec form was the one recommended by this group.

Security deposits were criticized but the brief suggested:

"1) The landlord or landlord's agent and the tenant would go over the apartment with a standard check list when the tenant moves in. All damage would be noted, and copies of the check list signed and kept by both landlord and tenant.

2) Two weeks before the tenant leaves, another joint inspection would be held. The landlord and tenant must agree on which damages resulting directly from the tenancy the tenant is liable for.

3) If no agreement is reached, there would be an impartial evaluation from a tenancies board officer.

4) If a tenant skips out without going through the apartment check, and there is damage, he or she could be held liable before the Residential Tenancies Board."

As to conversion, this was the suggestion:

"...MATU has considered the effects of conversions and examined the solutions elsewhere and respectfully recommend to the commission:

1) No conversions of rental property to condominium corporations, shareholder corporations or to non-profit continuing co-operatives, in view of the current rental market.

2) Notwithstanding recommendation 1, a conversion may be permitted to a non-profit continuing co-operative if a majority of the tenants so desire.

3) A rental property conversion could be permitted, in our opinion, where the sole purpose of the conversion would be the establishment of a recognized Home for Special Care as defined in the Homes for Special Care Act or for the establishment of unique residential facilities for disadvantaged members of the community. However, we would propose that these special case conversions only be permitted if:

   a) the cost of new construction for the facility would prohibit its establishment,

   b) there is no suitable non-residential property available for conversion or rehabilitation,

   c) the agency involved in setting up or operating the facility makes every effort to arrange suitable and similar rental accommodation for the present tenants,

   d) the agency owning the property gives the present tenants at least six months' notice to quit and permits tenants with school-age children to remain until August 31 next following the effective date of the notice to quit,

   e) for the purpose of this recommendation, conversion would be defined as including demolition. However, demolition should only be permitted if the building is structurally unsound as determined by a municipal building inspector.

When all is said and done, we feel that policies on conversion of rental property should be governed by the same principle as security of tenure: a tenant's apartment is a home, and one does not arbitrarily and without good cause take one person's home to give it to another."

On the effects of rent review, MATU urged that there is no convincing evidence to support the argument that it has anything to do with the lack of affordable housing. Alberta has no review but housing starts have almost ended.

When can it end?

"C. LIFTING RENT REVIEW?"

The first two lines of this section are significant.

> "Rent Review was born out of crisis, and when this crisis is over, then thought may be given to its removal. But this begs the question: how do we know when the crisis is over? We believe that when there is a healthy market of decent affordable housing, Rent Review could be phased out."

SUBMISSION BY OFFICERS OF DEPARTMENT OF CONSUMER AFFAIRS

On May 18, 1983 the hearing was attended by a group of those actively involved in the administration of the rent review process - Mrs. Cathy MacNutt, Deputy Minister of Consumer Affairs, Ms. Linda Garber, Solicitor with the Department of Attorney General, Mr. Robert Fowler, Director of Rent Review and Administration and Mr. Randall Duplak, Chairman of the Rent Review Commission.

In reaching the value of a building the Commission follows the Rent Review Procedures Manual (page 7) and will use the Provincial Assessment, a Purchase and Sale Agreement and Appraisal Value reports.

The staff acknowledged the relevance of "depreciated replacement cost", but took the view that using this approach requires some consideration to cost and financing to reach the square foot construction cost which is an element in determining replacement cost of the building. In that respect, the amount and rate of any mortgage would be considered.

Painting the exterior of a building would be considered capital repairs and the expenditure thereon amortized over a five year period (this method was challenged by some of the presentations at Wolfville on May 30, 1983).

As to the landlord's costs of repairs and maintenance, it was usual for the application for rent increase to be made before the work is done, the cost being projected a year in advance.

In practice, the officer usually fixes a deadline for renovations and in case of failure he may set the case down for review.

In the event of a Commission appeal, nothing can be done in the current year but in the next year the landlord must submit all his receipts and supporting documents. Sometimes a property inspection is required.

The procedure follows the Archway Masonry case of October 12, 1982 before the Appeal Division of the Supreme Court of Nova Scotia.

There have been suggestions that the operation of the Rent Review Commission would be improved by adopting a "staggered system of review".

"QUESTION:

1) Would a staggered system of review reduce 'bottle neck' at certain times of year?

ANSWER:

This statistical table shows the volume of work handled by the Rent Review Commission on a monthly basis.

APRIL, 1982 to MARCH, 1983

	Applications in Excess of Guideline	Decisions on Units
April	1,748	2,251
May	1,181	1,885
June	1,168	1,559
July	1,296	892
August	830	1,218
September	4,679	1,808
October	10,825	326
November	2,898	242
December	1,462	3,048
January	829	4,475
February	1,049	2,467
March	1,008	2,711
TOTAL	28,973	22,882

The above table shows the number of applications received in each month of the last fiscal period referenced to the number of units which decisions were rendered for in the corresponding months. The April through August period generates more units with decisions then those received based on outstanding caseload at the start of the fiscal year. Notice of Rent Increases received in September, October and November for January 1st of the new calendar year do not begin to be dealt with until December when procedures and appropriate inflationary allowances have been determined. In this table in excess of 18,000 units are received for a January 1st effective date, however, only approximately 3,000 are rendered upon by this date."

Following this table these witnesses did not accept the suggestion that the rent review division was under-staffed.

On the question whether or not general accounting principles were followed, they were followed although some differences in categories under Revenue Canada provisions appear.

For example, rent review procedures do not allow depreciation of equipment in the building but upon replacement of an item and expenditure to recoup the cost of that item is allowed.

A schedule of comparisons of rent review treatment with that of Revenue Canada was provided.

As to whether there were chartered accountants on staff the answer was negative but the services of such a person were always available when required.

> "Rent Review Commission has access to a chartered accountant on a consulting basis if and when required."

The officials before us pointed out that from the worksheet, a copy of which is on file, it is clear that quite an elaborate financial investigation is made. The residential tenancy officers are armed with a Rent Review Procedures Manual and predetermined guidelines.

It was acknowledged that increases in excess of guideline percentage could be granted more than once in any twelve month period.

The Officers were asked to explain in detail the process used in a typical application for rental increase.

"QUESTION:

1) Please explain in detail the process used in a typical application for rental increase from beginning to end.

ANSWER:

The landlord fills out a Notice of Rent Increase form and serves it on the tenant, three months prior to the increase. The landlord forwards a copy of this request for a rental increase to the Commission two months prior to the increase. The landlord in sending his Notice of Rent Increase, to the Commission, must submit with the increase form, if it is a request for a rent increase in excess of the guideline set by the Governor in Council, a financial information guide together with all supporting documentation, receipts, invoices, etc. for expenses incurred and claimed. The Residential Tenancy Officer checks the invoices, receipts, etc., against the amounts claimed and if the Officer has any questions as to a specific item, the landlord is contacted and asked for an explanation. Based on the information submitted by the landlord or tenants, the Tenancy Officer makes a decision and the decision is forwarded to the landlord and all the tenants. If a landlord or tenant is dissatisfied with the Residential Tenancy Officer's Decision, they may appeal the decision within 15 days of the date of the decision.

On an appeal to the Commission, the landlord or tenant may present additional financial information to the Commission 72 hours in advance. The Commission convenes a Hearing and all parties are notified of the Hearing. The Commission considers the evidence presented to the Officer and any new evidence presented to the Commission and listens to submissions from both landlords and tenants. Based on the evidence submitted, the Commission then renders its decision and a copy of the decision is forwarded to the landlord and tenants.

See attached flowchart (Appendix III)."

As to time absorbed from receipt of the application for increase in excess of the guideline limit to time of final decision, we were told a time frame ranging from two months to six months may be experienced in a typical application.

The Rent Review Commission does hold evening meetings.

The Rent Review Commission has made changes in the Residential Tenancy Officers' decisions but these changes are usually due to the presentation of new evidence.

They were asked about delays and pointed out that it is a cyclical type of workload and they prefer to have trained competent officers. It is impossible to achieve perfection without having to add much more staff and under these circumstances the personnel might not be so well trained.

It takes three and a half months before the Officer's decision is out. There are not too many complaints of delays and there has been a great reduction in complaints this year.

Some buildings are very complicated. One officer spent 45 hours on one case.

As to the cost - exclusive of space, the cost of rent review is $600,000 annually.

The Deputy Minister emphasized that the Rent Review Commission is autonomous - its decisions are its own and it is fully independent.

WOLFVILLE HEARINGS

On Monday, May 30, 1983 we heard presentations in Wolfville, Kings County, Nova Scotia.

Most of those appearing were landlords and extremely critical of the rent review process.

Mr. V. H. MacKay urged the respect of the right to private property. In his area, if left alone, he could work out the problems without difficulty. With wage settlements of $20 an hour, rents are bound to increase.

He referred to situations where students were occupying apartments whose parents own five room homes.

He would agree with rent review if the proper guidelines were followed.

He felt that Halifax could have problems not shared with the Valley.

There must be a formula for deregulation. People who have put the most into providing accommodation have never been consulted.

Another property owner submitted that no landlord could afford to live on the rents.

In his view, buildings with less than five units should be exempted forthwith. The situation in the Valley should not be compared with the metro area.

He did not agree with the method of amortizing projects such as painting, providing a new well or a roof. He referred to Revenue Canada.

He was also critical of tenants being informed of the rents of other tenants and he suggested that the review officers should be more highly educated, particularly in principles of accounting.

In his opinion, when a tenant moves, his or her apartment should be deregulated.

The review process was originally part of the anti-inflation program. There is no need for it now.

The market place should determine the results.

There are some people who need help and who should have houses provided by the state.

Finally, he said, that the whole authority of rent review should be assigned to the municipalities.

Others who spoke said, before the review program appeared, they had never received complaints that rents were too high.

Another gentleman said that he could not possibly break even on the rents received from his units and he added that the private home owners were paying for his low rents because of the drop in assessments engendered by rent review.

It was stated in one presentation that if mortgage interest was considered the landlord's return would be negative. It is useless to base the rate of return on the market value. Return on investment is the big problem.

One man said that he had to sell private items to keep afloat.

There was criticism that many of the officers knew nothing about real estate.

Mr. Clyde Mason of Abacus Management made a very full submission. He criticized the Rent Review Commission for not recognizing a landlord's right to produce a profit. There should be some recognition of the risk involved in owning real estate.

He advocated the abolition of controls. In any event, once a unit becomes vacant it should be free. He did not object to a just cause provision in a lease but he was strongly of opinion that there is no need of rent review to reduce rents.

He suggested that perhaps one solution to the problem would be for the owner to invest in "shell space", leaving its development to the resident. This apparently is being done in Europe, e.g. Greece, and in the United States of America.

If controls came off and rents were raised, the tenants would double-up or do something else to meet the challenge.

Accommodation of three units or less, where the landlord owns the building and lives there, should be exempt. Where a landlord and tenant have agreed in writing to a rate, control should be terminated.

> "Free up a bunch here, a bunch there, in due course the problem would be solved."

He set out what, in his view, were certain important recommendations:

1. Utilize generally accepted accounting principles, especially in a system which is so controversial.

2. Apply the test of depreciated capital cost. If you cannot afford an appraisal a good rule of thumb would be the most recent sale price adjusted in line with the Consumer Price Index.

3. All persons making decisions should be professional accountants or experts on rentals. There has been a lack of knowledge that has contributed to the value of the organization.

In his opinion, it was not so much the concept but the personnel that was the problem, but in any event, the whole system perpetuates the problem because of the lack of resources.

He also criticized the reluctance on the part of the Commission to exercise Section 29(1) of the Act to seek instructions from the Court.

In his view, you have to take the cost factor off the shoulders of both landlord and tenant.

The Director of Rent Review should have the power to correct obvious errors but he would have to have knowledge to exercise this power.

There should be a hearing at the rental officer level.

Finally, the whole program should be developed by a chartered accountant.

Mr. Cecil Lockhart dealt with mobile home parks and said that he had to sell certain holdings because he could not continue the development on the rents allowed. He would require at least a unit rental of $145.00 a month to make the venture worthwhile.

He complained of a rollback of $400 collected for improvements.

> "The Rent Review Commission has basically changed my attitude toward the tenant. I have to survive."

He found the Commission very arbitrary and he suggested that one county in Nova Scotia should be chosen to be free from rent controls for two or three years as an experiment to see just how great an improvement would result in the landlord and tenant relationship.

He agreed with the suggestion of municipal control.

Mr. Bernard G. Smith, Director of Finance and City Treasurer of the City of Halifax, gave a detailed analysis of the effect of rent control in Halifax in construction activity and on assessments and the result in his view could be serious.

In his opinion, if we have to have controls we should have a planned scheme of getting away from them in a reasonably short time. Co-operative housing might be an answer.

> "There is no doubt in my mind, based on discussions that I have had with developers, with contractors and real estate investors, that an apartment building subject to rent controls has less appeal as an investment than one which is freely operating within the marketplace without restraint."

He stated that there has been undoubtedly a slowing up in residential construction within the City of Halifax and he had a fear that we might find ourselves in the position where we cannot get away from rent controls, and in the result, have no proper means of producing additional units to the housing stock without indulging in more and more controls from other levels of government. At page 9 he put the question:

> "Are we heading for a situation where we can reach the point of no return?"

He subscribed to rent controls under special circumstances of a sudden housing demand or sudden rental housing increase unjustified by cost, but it should only be on a temporary basis. Such a situation can arise during wartime.

> "I suggest that there are mechanisms to bring adequate housing within the reach of lower income families or those families who need assistance. There are social programs available now which, with possibly some modification to reflect the changes in accommodation costs could, I believe,

> adequately house those persons who are not able to be competitive in the housing marketplace. I believe that the in-place social assistance programs, with some adjustment, managed by professionals skilled in that type of work, could adequately provide for persons in need while leaving a free market economy in existence which could respond to genuine housing need far more effectively than a combination of patch-on government sponsored programs."

Finally, he reminded the Commission that his remarks came from experience in the housing situation, both as Treasurer in the City of Halifax and before that as Director of Finance for the Nova Scotia Housing Commission, and on various consulting functions within the Nova Scotia Housing Commission. He had reached the conclusion that the present rent control problem is dangerous and must be dealt with in terms of "giving an exit to the situation over a reasonable period of time,..." otherwise he felt it could result in a total distortion of the housing market in this province and an undesirable government involvement in the housing marketplace.

ORAL SUBMISSIONS

A meeting was called for July 11, 1983 at the special request of the Nova Scotia Federation of Labour. Although it was largely attended, having been advertised, most of those present represented the point of view of the landlord.

One criticism of the Rent Review Commission was that in making its decision it emphasized three main points:

1. Extra expenses
2. Last year's rent
3. Was there a mortgage on the property?

The result of this limitation on the Board's reasoning was that very often the increases were unequal when the inequality was unjustified. If a man has his rents too low in the beginning, there is no way for him to make the property financially viable. This type of reasoning is unfair both to the landlord and the tenant. The landlord cannot even meet the increases in the price of fuel.

Another property owner objected to the Commission releasing landlord's confidential information to the tenant.

The Commission's methods of dealing with expenses came in for heavy criticism.

One landlord said that some were charging and getting $425 a month for a ridiculously small apartment in a poor area of the City. He, on the other hand, was unable to carry his expenses.

In 1981 he found it necessary to provide a new roof at a cost of $6,000. To save expense he put $2,000 of his own labour into the project. He was not allowed to claim this as an expense and ended up with $311 a month instead of $319 a unit.

In the result the cost was amortized over 20 years and he was allowed $2.00 a month for each of the four tenants. He compared this with someone allegedly getting $425 a month for an attic apartment with a sky-light.

His suggestion was to investigate the slum areas, and instead of the Rent Review Commission, hire three experienced real estate people and let them inspect and recommend.

He complained of the unequal increases in the system and stated that he knew one landlord who received a 22 per cent increase.

Finally, he recommended a 10 per cent increase in first class apartments for two years and then the market would be sufficiently bouyant to provide adequate accommodation at a reasonable rate.

For basement and attic apartments, his recommendation was that the increase should be zero.

Another landlord said she was allowed so little on her expenses that she was forced to sell.

One man said that rent controls were protecting the wrong people. His own view was to abolish rent controls, or what we have here, rent review, and spend the money on housing. The market, he said, would look after itself. In his view there should be a 15 per cent return on investment.

He did say that he, in fact, received a $40 a month increase without a hearing. This amazed another person who felt that this was another indication of inequalities in the system.

Another man raised the issue of inexperience on the part of those administering rent controls. He alleged that he had lost $156,000 in mortgage interest alone. The Commission, he said, disallowed a management fee because his property was self-managed.

In his opinion, rent review has caused deterioration in the relationship of landlord and tenant. This was the gentleman who could not understand how the other owner received a $40 increase without appearing.

Another landlord with only four units said that he was caught with very low rents. In his opinion, the big property owners actually benefitted by rent review. Small owners suffered because they could not afford the cost of applications to the Commission. One felt that he did not own his own building.

Another owner complained of the delays. He cited one case where he did not get a decision for seven months. He did say that the vacancy rate was improving and rent review could be removed.

In his opinion 25 per cent to 30 per cent was an acceptable proportion of income to go for rent and he stated that in Halifax it was, in fact, only 18 per cent.

There was evidence that a two bedroom apartment of reasonable class could command $500 a month and this gentleman pointed out that very often both parties were working so it was not difficult for them to finance rent at that level.

A tenant of some experience was not too critical of his landlord but said that there should be an inspection by a qualified person before rents are increased.

The final submission touched on the problems of slum housing. This gentleman felt that controls were intended to protect the poor people and many were being forced to live in slums who would not otherwise do so if they had the means to pay the rent. He felt that the subsidy might work but he was not sure.

Fixed income increases are not keeping up with rents and without controls or powers of review senior citizens will not be protected.

He said that he knew of a case where an 83 year old man was given a 19 per cent increase.

He raised the question of maintenance and emphasized the point that there was a duty on the landlord to maintain the rented premises in a proper state of repair. Accordingly, he was opposed to increases based on minor repairs which really represented the maintenance that was the responsibility of the landlord in any event. He added that in his opinion tenants should not have to pay for bad management.

Finally, a gentleman agreed that controls were killing off the entrepreneurial spirit. Rent review should be replaced by a system of subsidies for individual tenants in need.

Under the present system landlords are being forced to increase rents. If the vacancy rate is high controls are not necessary. The present system is just not working.

He did say that to construct a new building an owner would have to charge $800 a month.

CORRESPONDENCE

We received numerous letters from individuals and groups.

From the owners' point of view, the argument that the owners themselves should not be required to subsidize tenants directly appeared over and over again.

It was stated that two-thirds of the renting families pay less than 25 per cent of their income for rent.

Generally, the submissions recommended that the program either be abolished or phased out in five years, that decisions should be more prompt and that in any event over a certain level of monthly rental the review system was quite unnecessary.

Specifically, they urged that tenants should not have access to confidential financial information concerning their landlords. It was pointed out that sometimes the equity has taken 20 years to build.

The Commission was criticized for capitalizing maintenance expenses. A landlord should have interest on arrears of rent just as he must pay interest on the security deposit.

The landlord should have a return on his investment. One statement was that even if a government can operate on a deficit the property owner cannot.

Rent review officers were criticized for lack of qualifications and experience. Some letters indicated that more staff was required to ensure adequate hearings and there were complaints of "arbitrariness" and "secrecy".

It was urged by some that a professional accountant be a member of the Rent Review Commission hearing an appeal.

Officers, they said, should be trained in property management, real estate and accounting. Security of tenure was dangerous in that it created a serious loss of control over one's own property.

There was some criticism that there was too much politics involved in the system and one writer suggested that it be removed from Consumer Affairs to Housing.

Guidelines should, in the opinion of many, be published. We understand that following the recent decision of the Appeal Division of the Supreme Court of Nova Scotia, this is being done.

One gentleman, in a very recent letter, said that controls were not directed to the small landlord. The paper work involved for one set of flats in preparing for submission to the Rent Review Commission is as great as that for 200 units, creating a hardship on the small landlord.

One tenant was against controls and suggested that many tenants were paying rent by arrangement with the landlords regardless of approved rent.

This is an interesting point when we take into consideration the argument of one of the property owners to which we have referred on page 35 when we mentioned Sweden's withdrawal from the system of rent control. This submission was that it was the cost and not the rents that need to be controlled.

Another writer referred to 58 per cent increases, yet he was against controls, as he called them. In his view, the following are the results of rent review:

1. Loss of revenue to landlords limiting reinvestment of funds.
2. Loss to Municipality in tax revenues.
3. Loss of income for construction workers and firms.

The letters from the tenants complained about increases which were "extraordinary, obsessive, and in a number of instances nearly fatal to the pocketbooks of some tenants", and emphasized the point that there should not be a rent increase just because the landlord has refinanced the property at a much higher rate of interest. These tenants were very definite in their view that retaliatory eviction should be penalized, that certain leases had very severe clauses which were being followed by many landlords, that blacklisting should be stopped, that security of tenure should be encouraged and that there should be a recommendation in favour of a standard lease such as the form used in the Province of Quebec.

They further recommended that the repairs and maintenance requirements should be more thoroughly enforced, and that security deposits should be abolished. One tenant even went so far as to suggest that there should be a strict control system established with the R.C.M.P. checking the landlord's records, without warrant, to determine whether or not he was operating at a loss.

One letter referred to a tenant paying $509 a month for a one bedroom apartment, which according to the Rent Review Commission should be rented for $448 a month.

A tenant in one of the senior citizens homes, in referring to an increase in her rental, resented the demands to disclose her income. We should say here that it may well be that in an institution of that kind the authorities are entitled to know the income, if rents are based on income and the capacity of the tenant to pay. In any event, this lady said that her rent increases were $33, whereas her income from Canada Pension only increased by $18 and this she felt was not fair.

The foregoing Memorandum of Facts is an effort to set out, in detail, a summary of submissions, both oral and written, which were received in the course of our review and any recommendations which we make are based on these facts, along with such assistance which we have received from tenants groups, social and welfare organizations, accountants, housing authorities, landlords and representatives from business.

GENERAL CONCLUSIONS:

The legislation setting up rent review was enacted as part of the wage and price controls of 1975 which was Canada wide, although rent review, being within Provincial jurisdiction was enacted by the Nova Scotia Legislature. The theory of the legislation was to freeze rents where they happened to be at the time. A mechanism was set up to take emergency action to rescue landlords caught in a loss situation.

The controls thus put in place were tolerated by the landlords who considered them temporary. They were indeed intended to be temporary. Adjustments were provided by Residential Tenancy Officers and hearings conducted by a Rent Review Commission within the Department of Consumer Affairs. No elaborate permanent machinery was set up and files were not organized in a convenient way for public use, reasons for decisions on rent increases were not given and the directions to Residential Tenancies Officers to maintain uniformity were not made public. As a result the Department operated efficiently.

The free market system causes rents to be set at exactly what the traffic will bear. As soon as vacancy rates become small, landlords raise rents, then new buildings are provided, the vacancy rate rises, landlords provide bargains to attract tenants, building stops, apartments fill up and the whole cycle repeats itself. In the process, competition provides attractive living accommodation but at rates that follow the economy of the area in which they are built.

A perfectly tuned rent review system would strip the landlord of his profit and leave everything else in place. So long as this is perceived by the investment community as a temporary measure, housing will not be unduly affected because the prospect of long term gains will still be there. The evidence before this Commission indicates that up until 1982 this was the prevailing view of landlords as a whole, despite the fact that the system has not been perfectly tuned and indeed was never intended to be so from the beginning.

The rent review process works in the way it was intended and restrains rent, suppresses profits of the landlords and now the free market no longer operates in the residential accommodation field. The Commission makes no effort at all to follow the market with the result that almost identical premises rent for quite different amounts. Also, landlords lose the gain normally associated with real property in times of inflation, since the price or value of real estate in the free market is limited to the revenue producing capability which the property will command rather than its appearance, quality of construction, location, amenities, etc. In the process, the market first sets the rent and then the Act restrains increases.

Suppression of rents for some 8 years should have had a depressing effect on the price at which apartment buildings sell on the open market in relation to other commercial property. In Dartmouth at least, this has not yet happened to any great degree in the last few years as assessment records clearly show. There might be three reasons for this:

(a) On resale rents can be raised to accommodate higher mortgages.

(b) Landlords believe that rent controls cannot last for long and they are in business for a long term gain.

(c) The recent announcement by the Department of Consumer Affairs that all post 1975 rental construction will come under controls three years after the completion has not had time to have an effect on the values of apartment buildings.

The cost of rent review apparatus to the Provincial Government now approaches three quarters of a million dollars annually. There is

some loss in taxation to the municipalities due to the depressing of assessment by rent review apparatus although this is small at the moment.

Since rent review reduces profits only, the amount of this reduction lowers the income of the landlord but does not increase the income of the tenant. This money is therefore not subject to income tax which normally would be taxed at 50 per cent in the hands of corporate landlords and 50 per cent in the hands of wealthy landlords. This is a complex question and may not represent a large shift in taxation but should be measurable if considered at the same time as subsidies for low income tenants who are adversely affected, particularly if subsidies or incentives for low cost housing are cost-shared by our three levels of government.

It is useful to consider the composition of the whole financial package making up an operating apartment building as submitted by the landlords. The entrepreneur assembles the land, works out the planning considerations, zoning, etc. and constructs the building with an eye to the ability to rent the units and delivers the package to a landlord for a price he hopes will produce a profit. The landlord considers a host of costs and will purchase at a price he thinks will in the long term deliver a profit in excess of the return he can obtain in the money markets after his own efforts have been paid for. Thus, the landlord must have a reasonable expectation of a return in excess of first mortgage interest rates on his own capital or he will retreat from the rental business and buy bonds or land with his money. The landlord like most investors attempts to use borrowed money at a lower rate of leverage to increase the return on his own capital.

Thus the rent from the tenant is applied to the costs associated with his occupancy in a rigid priority. The first portion of the rent goes to operating expenses - heat, light, taxes, and the like. If

these are not paid the operation will cease at once. Essential maintenance is next - if the roof leaks the rent will cease shortly. Interest and principal repayments on the mortgage must then be serviced or the building will be foreclosed upon and delivered to a new owner at a lower capital cost which will then allow continued operation at the same rent. The next component of the rental dollar goes to cover depreciation so that in theory when the building wears out the capital has been returned to the investor, whether he be the mortgage company or the owner. This component is usually considered to be the principal reduction in the mortgage although in accounting principles is slightly different since the mortgage lender stipulates for a return of capital long before the building has lost its value through age. The next component is non-essential repairs and improvements followed finally by the landlords' profit or return on capital.

Part of the landlords' profit is the expected capital gain which is traditionally captured by the landlord after years of operation and which is probably the chief motivating factor for small landlords who return all of their profits to the building or expand their operation with an eye to a pension in their old age.

When rents are curtailed by forces of the market in the free enterprise system or by rent review, the losses are absorbed in reverse order. The landlord loses his profit first. Unless he has additional capital to put into the building when his profits are gone, the repairs and improvements suffer. When it reaches the installment owing to the mortgage company the resulting foreclosure will equalize the rent available with the costs and the profit of the new landlord and if this cannot be achieved (the rent will not cover operating costs and a new landlord's profit) the building will be deserted and the accommodation lost to society.

The gain of the tenants in the rent review process is limited in theory to the loss of any increase in profit the landlord might

have earned over his profit at the time rent review was imposed on his building. This is, of course, a relatively small portion of the rent. Increases in the operating costs were passed through, if the landlord made application for an increase over the statutory limit, so that the bulk of the increases granted were for increases in fuel and interest charges and to a lesser degree the other operating costs. If on removal of rent review all that happens would be the restoration of the same margin of profit landlords have been denied, then the review could be lifted tomorrow with very little change in rents. Many landlords, however, stayed with the statutory increases and as a result are well below the market so that increases in the order of 50% will be imposed on tenants as fast as they can be absorbed which might be done within a year or two. Therefore, it becomes important in the absence of a large vacancy rate to limit increases on landlords attempting to catch up all at once.

The confidence of the housing industry in the determination of government to decontrol is of critical importance in any move to phase out the controls. Decontrol is most unpopular and will be seen by all political parties as an opportunity to gain votes, by labour, academics, social scientists as an evil to the disadvantaged, and by very few as a move to prevent the ultimate deterioration of housing. Most will agree it must be done sometime, but not right away. Knowing these pressures on government, only the clearest signal to the housing industry will create the confidence needed to bring new risk capital into the construction of rental accommodation. Decontrol will take at least three years to bring new housing on to the market and new housing loses money at the outset anyway, so a period of phasing out of rent review could extend over five years and result in a surplus of housing which will allow the market to control rents. This will only happen if landlords <u>know</u> that rent review will disappear at a specified time or in a specified way so that landlords can calculate the timing of the removal for their own purposes and will not be restored by Departmental decree.

It is an inescapable fact that the cost of new housing coming on the market, like everything else, is a frightening experience, particularly to the segment of the population in the lower income brackets.

It is hoped that with the gradual withdrawal from rent review and with the full co-operation of landlords, tenants and governments, a more equitable distribution of the housing burden will be reached.

Shelter, like food and clothing, is an essential part of life and comes first in everyone's budget. It is to some degree controlable by each individual, who has the option to live in cheap or expensive accommodation but to a great degree this is beyond his control. Rent occupies a large place in our budgets. We have generally accepted the C.M.H.C. guideline that 30 per cent of the household budget is the appropriate amount of shelter. However, some spend 15 per cent and some 50 per cent depending on the emphasis people place on their housing in relation to other things in life. Changes in rent must be gradual to allow each person to adjust his or her own standard of living since a large increase in the cost of food or shelter means a dramatic decrease in disposable income which dictates the quality of life for most people.

The market controls rent in a most efficient way. Landlords ask the most they can hope to get with the least turnover, and tenants offer the least they can hope to pay for the accommodation they like best. If there is a surplus of housing, bargains will appear and if there is a shortage, rents will go up causing more housing to be created. The market is more ruthless than any rent review board, both to the landlord and the tenant, since no one will listen to the complaint of the inefficient or unsophisticated landlord who gets into trouble and the tenant cannot generate sympathy from another tenant who faces the same relative costs. The market creates uniformity while rent

review is designed to ignore any issue of relative value for rent paid and, therefore, perpetuates and eventually accentuates inequities in value.

As we have already indicated, the Courts of Nova Scotia have in 1983 ordered the Rent Review Commission to do three things which will make a large impact on the efficiency of the process and the personnel employed there. These new requirements are as follows:

(a) File written decisions with reasons each time a hearing is concluded. This is apt to more than triple the time necessary to render a decision and in some cases will require an enormous effort to conclude.

(b) Publish the guidelines so that all parties (the landlord, the tenants and the Commission) know the law to be applied as well as the percentage to be used by staff. This is apt to encourage appeals in the initial instance and also to correct errors in calculation.

(c) Files in the records of the Department of Consumer Affairs are to be made available to the litigants which will require additional staff.

If the experience of Ontario is any guide, unless more staff is provided, delays in rental decisions may extend to a year or more and sometimes a tenant can be required to make up rent from the time of the original notice in the possible amount of $1,000.00 even though he had been paying the old rent regularly.

In these days of inflation great concern is expressed and is sincerely felt for those on fixed incomes. Such persons are beset with increased

costs for everything and when food and rent increases are attended to, their disposable income is whittled away and can indeed be all but eliminated. Rent has been going up anyway even with controls, as inflationary costs are passed through the rent to the tenants even though the landlords' profit has not. Rent increases have exceeded the "6 and 5" rules. Whenever rent review is removed, no matter when this might be, the effect on all tenants except those few who now pay quite close to market rents will be another severe blow, and will be seen as such particularly if the inflation rate has subsided. Rent review cannot, therefore, be removed suddenly.

RECOMMENDATIONS

1. SECRECY AND REGULATIONS

We recommend that secrecy have no place in the administration of rent review legislation. The availability of all relevant material to the parties, including regulations, is of the utmost importance. This recommendation is supported by the recent decision in The Dale Corporation vs The Rent Review Commission and Rawdon Realties Limited et al vs The Rent Review Commission of Nova Scotia, which have been mentioned earlier in this report.

2. STANDARD LEASE

We recommend that a standard lease be established. We have examined the forms in other provinces and commend to the Government the inclusion of a lease similar to that set forth in the Ontario Residential Tenancies Act (portions of which are not proclaimed) or the Manitoba Landlord and Tenant Act. The purpose of this recommendation is to discourage arbitrary and unfair provisions. (See Appendices G-24 & G-50)

3. NO AGREEMENTS FOR EXEMPTION

We recommend that there be no provision in any statute for an agreement to exempt either party from landlord and tenant legislation. In certain situations such exemptions could destroy the protection that the statutes intend and would encourage undue influence.

4. SECURITY DEPOSIT

We recommend that this deposit be paid to the Residential Tenancy Officer, in trust, without interest, and be returned to the tenant ten (10) days following the termination of the tenancy unless in the meantime the landlord applies under Section 9(6) of the Residential Tenancies Act.

This recommendation is designed to protect the tenant in the event that a landlord becomes unable or unwilling to repay. At the same

time the interest accrued will reimburse the government to some extent in the management of the fund.

5. SECURITY OF TENURE

We recommend that a person who has been a good tenant for at least five (5) years should be entitled to security of tenure also on the terms set forth in the Ontario Residential Tenancies Act, (portions of which are not proclaimed). (See Appendix G-24)

6. APPLICATIONS FOR RENT INCREASES

We recommend that the Notice of Application for Rent Increases should inform the tenants, in plain language, of their right to intervene and be represented, explaining the process and assuring the tenants that they can be heard at any stage in the proceedings. (See page 65 of this Report)

7. ONE INCREASE IN ANY TWELVE MONTH PERIOD

We recommend that the landlord be limited to only one increase a year unless the landlord can establish special circumstances that would result in undue hardship, for example, some extraordinary expenditure for which the landlord is entitled to a contribution through the rents.

8. WORK PERFORMED BY THE LANDLORD

We have received several complaints that the landlord cannot add to the rent, remuneration for work which he himself has contributed to the property by his own labour. We agree with the landlords on this point and recommend that when an owner performs a service, for example, shovelling the snow, he should be entitled to claim, as an expense, a reasonable amount for his time.

9. PROJECTED REPAIRS OR RENOVATIONS

We recommend that the condition of the premises should be considered in the rent review process. We further recommend that where a landlord has failed to make promised repairs or renovations, the residential tenancy officer or the Rent Review Commission may order a rollback of conditional rent increases.

10. CONDITION OF PREMISES

We recommend that Condition 2 of the Statutory Conditions of the Nova Scotia Residential Tenancies Act should be deleted and that Condition 1 include a provision that applies regardless of whether any state of non-repair existed to the knowledge of the tenant before the tenant first acquired possession of the premises. (See Appendix G-3)

11. MORTGAGE INTEREST

We recommend the continuance of the present practice of the Rent Review Commission to disallow the costs of increased interest on mortgages, the proceeds of which are invested in another asset.

12. MORTGAGE FORECLOSURE

We recommend that subsequent to a mortgage foreclosure, a tenant should be given at least three months' notice to quit, rather than being evicted forthwith.

13. CONDOMINIUM CONVERSION

We have set out in some detail the arguments against conversion of older properties and we recommend that so long as the review system remains, the restriction on condominium conversion should continue, subject to an exemption for community groups not for profit whose purpose is to provide residential facilities for persons having special needs.

14. CO-OPERATIVE HOUSING

We recommend that co-operative housing be continued as an alternative method of providing low cost rental accommodation. We further recommend that the Rent Review Act be amended to exempt co-operative housing from its provisions. (See page 64 of this Report)

15. MOBILE HOMES

All recommendations made herein for standard rental housing should also apply to mobile homes. In particular, we recommend that there should be compliance with all utility provisions of the Municipality in which the mobile home park is situated. Further, we recommend that there should be adequate provision for roads and road conditions, safety and street lighting as set forth in the Ontario Residential Tenancies Act, (portions of which are not proclaimed). (See Appendix G-24)

We recommend that tenants renting a mobile home be given the standard three (3) months' notice to quit. In the case of mobile home owners being given a notice to quit their pad, the notice be at least six (6) months.

16. REPRISALS

This problem is dealt with under Section 11E of the Residential Tenancies Act, S.N.S., 1970, Chapter 13, and we recommend that this section should stand.

> "11E Any person who violates or fails to comply with any order, direction or other requirement of a board or contravenes any provision of this Act, or any landlord who takes action against a tenant because of any resort by that tenant to any governmental authority in respect of the residential premises or because a tenant attempts to enforce or secure his rights under this Act or the Rent Review Act, is guilty of an offence punishable on summary conviction and is liable to a fine of not more than one thousand dollars."

An example was cited to us where a tenant of good standing over a period of years asked to have the heat turned on one cool day in May and the reply was a notice to quit.

17. RESIDENTIAL TENANCIES BOARD

We recommend that the Residential Tenancies Board continue in force. The jurisdiction of the Board has, of course, been weakened by the judgment in Burke vs Arab but, we found no serious criticism of the Residential Tenancies Act and therefore, subject to suggested amendments in this Report, we recommend further the continuation of the Act.

18. ADVISORY BOARD

We recommend that an Advisory Board be appointed by the Governor in Council to assist the Rent Review Commission and the Board should include a professional accountant, a person experienced in real estate, and a representative of the social services sector.

We have encountered objections that there is not enough expertise in accounting procedures and real estate experience represented in the rent review process.

This Advisory Board should be chosen wisely to provide a representative group committed to working together.

From all that we have read and heard, the main difficulty in this whole problem is that the present situation has deteriorated to a bitter adversarial atmosphere and every effort must be made by the Advisory Board and by all parties to overcome this unfortunate development. (See Appendix F)

19. FUTURE OF RENT REVIEW

We recommend that the government undertake a gradual phasing out of rent review over a period of five (5) years as long as an aggressive program of providing housing at rentals which can be afforded by citizens of limited income has been completed.

One of the vital points raised by the business community and, of course, the landlords, was the alleged failure of the Rent Review Commission to allow a reasonable return on the landlord's investment.

Hand in hand with this argument went the contention that the Commission was not adequately armed with accounting expertise and that one of its members should be a professional accountant.

In Pacific Investments Limited vs Rent Review Commission and The Tenants of Somerset Place (1977) 23 N.S.R. (2d) 378, the appellant contended that the Commission erred by failing to consider "return on investment" under Section 11(2)(b) of the Rent Review Act, Statutes of Nova Scotia 1975, C-56.

In dealing with that argument Chief Justice MacKeigan said, among other things:

> "...although appellant's counsel denied making such an assumption, I find implicit in this submission an assumption that the Commission is obliged in fixing rents to allow a reasonable rate of return on investment however interpreted, and to allow as expenses all costs and expenses, including interest charges and reasonable amounts of depreciation and deferred charges. Such an assumption, if correct, would convert the Commission into a sort of public utility board which under legislation like the Public Utilities Act, R.S.N.S. 1967, C. 258 must in fixing rates for a utility allow it a reasonable return on the value of its undertaking (including any deferred capital charges) and must allow it as expenses depreciation and interest.
>
> Such an assumption misconceives the function of the Commission which is established solely as a temporary anti-inflationary agency. It has no mandate to guarantee to a landlord a reasonable return, or indeed any return, on his investment or to ensure that he receives at least his operating costs and interest costs."

This statement by the Chief Justice indicates that in the mind of the Court, rent review was indeed a temporary measure and so long

as it remained so there was no absolute duty on the Rent Review Commission to ensure an adequate return on the landlord's investment.

For example, if an owner has been unwise and overloads his property with indebtedness beyond a reasonable capacity for repayment, he should not demand the right to pass that indebtedness along to his tenants.

The question of permanency of the rent review system is obviously affected by the adequate provision of reasonably priced housing to support availability of rental accommodation at a rate people can afford. We were told that it is impossible to find a two bedroom apartment modestly equipped for less than $550 per month. That is beyond the financial capacity of many people.

Here is the dilemma. If the arguments of the property owners investment groups are accepted and a move is made toward the abolition or phasing out of rent review, then reasonably priced rental housing must be available.

This can be done by public housing if it is well constructed and properly supervised. One property group has indicated that it might provide the housing itself with appropriate government assistance.

Matters of cost would have to be considered in depth before accepting such an offer but it appears clear that there is a need for some type of housing program.

The submissions of such groups as the Women's Emergency Housing Coalition, which has been mentioned in the statements taken from the presentations, recommended the further development of co-op housing, single family dwellings, and subsidized housing to encourage middle class homes and also a system of landbanking to make land available for subsidized units as is now being done in the Cole Harbour area. This is perhaps repetitious but it deserves emphasis.

On the other hand, if rent review is continued, it is clear that with increased public demand for greater availability to the Commission files and information, and the demand for prompter decisions among other things, the review making will become more and more a part of our life-style, and will require more staff, more elaborate machinery and be more and more costly to administer.

In making the recommendation, we repeat the statement that we are talking about "a very large segment of the population, and if we can straighten out their housing problems, then we can talk about taking off rent review".

RESPONSIBILITIES OF LANDLORDS AND TENANTS

The opinion has been expressed in many submissions that we can accept the premise that there are about three per cent bad tenants and also three per cent bad landlords.

Tenants must be reasonable but landlords must also recognize the tenant's right to good accommodation and not be guided solely by the profit motive.

The problem of "slum housing" has been raised.

We quote from a supplementary brief of a tenant's association:

> "Heating, electrical, plumbing and fire prevention systems are among the things frequently ignored. Pests and vermin overrun the property, the entire structure deteriorates becoming unsafe and unsightly. These conditions occur quite frequently and it is not unusual... to receive calls from tenants who have gone for days or weeks with little or no heat, often in the coldest months of the year. Tenants are forced to live without hot water for lengthy periods or only at certain times in the day. We have spoken with tenants who fear rats will harm their children as they sleep. We have all passed properties and silently wondered if people actually live in them and more frequently than not the answer is yes."

This quotation indicates an obvious breach in the statutory conditions of the Residential Tenancies Act.

What can be done if such situations exist?

We have not put a recommendation at the head of this section of the Report because we are considering groups which may not, at the present time, be under statutory control.

It is the considered opinion of the Commission that, along with the rights of either tenants or landlords go a number of duties, obligations and responsibilities which cannot always be legislated. The property and landlords' associations should take major responsibility in this matter, and we recommend that to deal with these problems, including indeed the allegations of reprisals, the landlords' associations should set up a form of disciplinary procedure similar to those of other professional bodies.

Owing to present fiscal restraint policies there is not, at the moment, great optimism as to the availability of federal and provincial funding required to finance construction of moderately priced rental accommodation. In addition, some property developers are reluctant to apply their resources toward meeting the demand for such housing.

On the optimistic note, there is work being done in Halifax to provide single family dwellings at low cost in some of the older areas of the city and these efforts appear to be successful and should be encouraged. We understand that this program is conducted by the Halifax Housing Authority and is funded by the Nova Scotia Housing Commission and CMHC.

Unless there is greater co-operation among the developers with all levels of government to provide new and adequate housing which will affect the vacancy rate favourably, then the whole problem of housing will become more and more controlled and rent review enlarged in its scope with the results we have described in Recommendation 19 on the Future of Rent Review.

The tenants' associations, on the other hand, in addition to pleading the case of the abused tenants, should also assume the obligation of advising and instructing tenants as to their responsibilities

toward the rental properties. If there are bad and greedy landlords who through neglect of their properties contribute to slum conditions as suggested in the quotation on page 106 such conduct should not be tolerated. It is nevertheless conversely true that bad tenants can also contribute to creating slum conditions, whereas good tenants have been known to turn slum dwellings into attractive housing. Landlords themselves would be well advised to encourage tenants' associations in low cost housing to hold workshops on environmental issues. Similarly, tenants, in order to protect themselves against any form of exploitation, should be organized and have accurate knowledge of the ownership of the building.

All levels of the educational process should be encouraged to provide the kind of courses in civic rights and responsibilities which should give students some knowledge of the types of accommodation and the different systems of urbanized rental housing. Society as a whole needs to rid itself of simplistic myths and dualities about bad landlords and abused tenants.

The creation of a sound rental housing system requires a greater awareness of both the rights and the responsibilities not only of tenants towards landlords and vice versa, but also of tenants towards other tenants, and landlords towards other landlords. Only by coupling rights with responsibilities in all cases can a truly co-operative attitude towards the creation of more suitable living environments emerge. The present confrontational attitudes only distort the housing picture as a whole and ultimately lead to more, and more costly bureaucratic intervention.

The role of government in the final analysis should not be one of protection or advocacy for tenants against landlords any more than it should be one of protection and privilege for landlords or

investors and private industry to make exorbitant profits. Rather the role of government in a democratic society should be to create a climate of freedom and goodwill whereby both tenants and landlords can interact in a positive manner.

Society has gone beyond the time when concepts of polarization any longer serve it effectively. Only when the complexities of modern urbanized housing systems are better understood by all segments of society - tenants, rental property owners, and governments can there be any hope of lasting solutions to the rental housing problems.

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APPENDIX A

PROCEDURE ADOPTED BY COMMISSION FOR PUBLIC HEARINGS

1. No evidence will be excluded, if, in the opinion of the Commissioners, it is relevant to the scope of the Inquiry, and is not unduly repetitious or irrelevant.

2. Cross-examination of those making oral presentations will not be permitted, but, persons wishing to ask questions may submit them to Commission Counsel, and Counsel may ask the questions.

3. The Commissioners will not hear evidence on matters involved in an action already commenced or pending and obviously intended to be initiated in a Court of Competent Jurisdiction.

APPENDIX B

PUBLIC HEARINGS AND THOSE APPEARING

HALIFAX

February 14, 1983	Nova Scotia Federation of Labour
	Estate Services Limited
	William Steeves
	The Centennial Group of Companies - Centennial Management Limited
	Octagon Towers Tenants' Association
	Catholic Social Service Commission
	Dartmouth Chamber of Commerce
	Tenants of Kingsbury Towers
February 15, 1983	Pat King Management Limited
	City of Dartmouth, Social Services Department
	Nathaniel Cohen
	Robert Sisk
	Coast Realties Limited
	Hedley G. Ivany
	Kenneth Fram
February 22, 1983	Real Estate Management Ltd.
	The Dale Corporation
	Mr. and Mrs. Gaston Chagnon represented by Allan D. Boudreau, LL.B.
	Canadian Pensioners Concerned Incorporated - The Nova Scotia Division and its Chapters
	Stanley E. Havill
	Lee H. Sherman
	Samuel H. Jopling
February 28, 1983	Bakery, Confectionery and Tobacco Workers' International Union, Local 446
	Investment Property Owners Association of Nova Scotia Limited

February 28, 1983 (continued)	The Committee on the Concerns of Aging
	Douglas E. Zinck
	Neighbourhood Housing Association
	Milton K. Baker
	Woodbine Mobile Homeowners Tenants Association
March 1, 1983	Halifax-Dartmouth and District Labour Council C.L.C.
	S. Jachimowicz Ltd.
	Bell Enterprises Limited
	Judy Varma
	James G. Keillor on behalf of Tenants of 6306 Cork Street, Halifax, N. S.
	S. F. Barnard
	Hugh Lausanne
	The Institute of Chartered Accountants of Nova Scotia
March 2, 1983	The Nova Scotia Association of Social Workers Council
	Clayton Developments Limited
	Homburg International Ltd.
	Maritime School of Social Work - Dalhousie University
	Access Housing Services Association
	Cranmere Properties - Dr. Richard James
	Dartmouth Assessment Region - Department of Municipal Affairs
April 18, 1983	Non-Profit Co-operative Housing Federation of Nova Scotia
	Social Planning Dept., Social Planning and Development Division - City of Halifax
	Stanley E. Havill (2nd hearing)
	Nova Scotia New Democratic Party
	Tower Masonry Contractors Limited

April 19, 1983	Canadian Union of Postal Workers
	Nova Scotia Government Employees Union
	R.W.B. Douglas & Associates
	Chez Holdings Limited
	The Women's Emergency Housing Coalition
April 26, 1983	Dalhousie Legal Aid Service
	MATU - Metro Area Tenants' Union
May 18, 1983	Access Housing Services Association (2nd hearing)
	Rent Review Commission
May 30, 1983 Wolfville	Cecil J. Lockhart
	Kent Field Estates Limited
	V. H. MacKay
	William A. Campbell
	John MacEachern
	Abacus Management
	Bernard G. Smith, C.A.
	Chesley Chaulk

APPENDIX C

ALPHABETICAL LIST OF SUBMISSIONS - BRIEFS RECEIVED

NAME	DATE OF PUBLIC HEARING
Abacus Management Clyde Mason, President	May 30, 1983
Access Housing Services Association Rob McLaren, Jim Duke & Sharon Chisholm	March 2nd and May 18, 1983
Baker, Milton K.	February 28, 1983
Bakery, Confectionery and Tobacco Workers' International Union Rene Quigley, Business Agent	February 28, 1983
Barnard, S. F.	March 1, 1983
Bell Enterprises Limited William T. Bell, President	March 1, 1983
Campbell, William A.	May 30, 1983
Canadian Pensioners Concerned Inc. Professor Doreen Fraser & Doris Maley	February 22, 1983
Canadian Union of Postal Workers, Noval Local Philip Power, President	April 19, 1983
Catholic Social Services Commission John Weiler, Executive Director	February 14, 1983
Centennial Group of Companies, The R. J. Foster, C.A., Vice President and General Manager	February 14, 1983
Chagnon, Mr. and Mrs. Gaston - represented by A. P. Boudreau, LL.B.	February 22, 1983
Chaulk, Chesley	May 30, 1983
Chez Holdings Limited George B. Pothier, President	April 19, 1983
Clayton Developments Limited Robert S. Shaw, C.A., Richard Miller	March 2, 1983
Coast Realties Limited S. E. Blunden	February 15, 1983

NAME	DATE OF PUBLIC HEARING
Cohen, Nathaniel	February 15, 1983
Committee on the Concerns of Aging Professor Doreen Fraser	February 28, 1983
Cork Street (6306), Tenants of - represented by James Keillor	March 1, 1983
Cranmere Properties Dr. R. H. James	March 2, 1983
Dale Corporation, The Peter Dale, Ph.D.	February 22, 1983
Dalhousie Legal Aid Services Michael Coyle, Community Legal Worker	April 26, 1983
Dalhousie University - Maritime School of Social Work Michael Bradford & Patrick Kerans	March 2, 1983
Dartmouth Chamber of Commerce R. A. Guildford, Michael Zatzman & Kirk McCulloch	February 14, 1983
Dartmouth, City of Department of Social Services Paul Green & Suzanne Hood, LL.B.	February 15, 1983
Department of Consumer Affairs - Mrs. Cathy MacNutt, Deputy Minister; Randall Duplak, Chairman, Rent Review Commission; Robert Fowler, Director of Rent Review and Administration; and Ms. Linda Garber, Solicitor, Department of Attorney General	May 18, 1983
Department of Municipal Affairs - Dartmouth Assessment Region Donald F. Horne, A.A.C.I., N.S.I.A., Regional Director of Assessment	March 2, 1983
Douglas, R.W.B. & Associates R.W.B. Douglas, President	April 19, 1983
Estate Services Limited John Holand & Commander Ian McKee	February 14, 1983
Halifax, City of Social Planning and Development Division Richard Pearson and Ms. Jane Brackley	April 18, 1983

NAME	DATE OF PUBLIC HEARING
Halifax/Dartmouth and District Labour Council Fred T. Lutley, President	March 1, 1983
Havill, Stanley E.	February 22nd & April 18, 1983
Homburg International Limited Richard Homburg, President	March 2, 1983
Institute of Chartered Accountants of Nova Scotia, The Ross Towler, F.C.A., Michael Johnson, C.A., and Gary Stafford, C.A.	March 2, 1983
Investment Property Owners Association of Nova Scotia Limited Robert J. Foster, C.A., and Ron Robertson	February 28, 1983
Ivany, Hedley G.	February 15, 1983
S. Jachimowicz Limited Jan Michael Jachimowicz, Manager	March 1, 1983
Jopling, Samuel H.	February 22, 1983
Kent Field Estates Limited T. W. Whynot, C.A., President	May 30, 1983
Kingsbury Towers, Tenants of W. E. Boyne, G. M. Seymour, Joseph E. Letson and Maude Godfrey	February 14, 1983
Lausanne, Hugh	March 1, 1983
Lockhart, Cecil J.	May 30, 1983
MacEachern, John	May 30, 1983
MacKay, Victor H.	May 30, 1983
Metro Area Tenants' Union (MATU) Gerry Cassidy, Joanne Cooke, Richard Netherton and Harold Durnford	April 26, 1983
Neighbourhood Housing Association Brian Gifford and Gordon Stokoe	February 22, 1983
Non-Profit Co-operative Housing Federation of Nova Scotia Keith Cossey, Charles Lapp and Wilson Fitt, LL.B.	April 18, 1983

NAME	DATE OF PUBLIC HEARING
Nova Scotia Association of Social Workers Fred Bradley, R.S.W., and Gayle Cromwell	March 2, 1983
Nova Scotia Federation of Labour Chester Sanford, President and Leo MacKay, Secretary	February 14, 1983
Nova Scotia Government Employees Union Reg Lownie, Research Officer and Victor G. Henrikson, First Vice-President	April 19, 1983
Nova Scotia New Democratic Party Dennis Theman, LL.B.	April 18, 1983
Octagon Towers Tenants' Association Mrs. Joan Merrick, Chairperson	February 14, 1983
Pat King Management Limited Patrick King, F.R.I., A.A.C.I., M.A.I.	February 15, 1983
Real Estate Management Limited Richard Carrier, President	February 22, 1983
Sherman, Lee H.	February 22, 1983
Sisk, Robert and Seymour, Geoffrey	February 15, 1983
Smith, B. G., C.A.	May 30, 1983
Steeves, William	February 14, 1983
Tower Masonry Contractors Limited - represented by Charles D. Lienaux, LL.B.	April 18, 1983
Varma, Judy	March 1, 1983
Women's Emergency Housing Coalition, The Cathy Mellett and Maureen MacDonald	April 19, 1983
Woodbine Mobile Homeowners Tenants' Association Malcolm MacKay, MLA, Glenn Tate, Nancy Mailman and Paul Wilson	February 28, 1983
Zinck, Douglas	February 28, 1983

APPENDIX D

ORAL SUBMISSIONS

July 11, 1983

Paul Publicover, Blandford
Ken Canavan, Rawdon
Chesley Abbott, Halifax
Glenda Wilson, Dartmouth
Roy Yetman, Dartmouth
Fred Bushor, Halifax
Arthur Vogt, Halifax
Clyde Mason, Abacus Management
Rick MacNeil, Dartmouth
Aubrey MacDonald, Halifax
Harold Merryatt, Twin City Management
R.W.B. Douglas, Mahone Bay
Michael Argand, Halifax

APPENDIX E

SUBMISSIONS BY THOSE NOT WISHING TO MAKE VERBAL PRESENTATIONS

A

Akin, Jean

B

6551-6569 Bayers Road Tenants Association

Baxter, Larry N.

B.C.J.M. Estates

Bisange, Frank

Boutilier, Bertha

Burton, Ronald

C

Campbell, Douglas C.

Chipman, Curtis

Columbia Consultants

E

Epstein, Dr. R.

F

Federation of Sr. Citizens & Pensioners of Nova Scotia

G

Galloway, K.E.

Garry Pye Real Estate

Greenpath Property Management

Gould, Bessie E.

H

Halifax Board of Trade

Hallmark Realty Limited

Harris, Shirely & Walker, Alethia H.

Hotel & Restaurant Employees & Bartenders International Union, Local 662

Housing for People Coalition

I

Ivany, Perry G.

J

Jabalee, Elias

Jacobson, Samuel

K

Kasdan, Donna & Leonard

Kitz, Leonard, Q.C.

L

Langille, Fred H.

Leventhall, A.J.

M

Masse, Annette

MacDonald, Michael & Somjen, Marie

MacKeigan, Peter, L.L.B.

MacLean, D.

McCarthy, Dr. J.P.

McCully, Leonard D., C.A.

McElmon, Evelyn B.

Moores, Malcolm R.

N

Nova Recreation & Development Company Limited

Nova Scotia Real Estate Association

P

Parker, Gary

Potter, Carl B.

R

Roycom Realty Limited

S

Silver, Howard J.

Silverman, Allan J.

Smith, A.M. & Company

Smith, Dorothy F.

Sumner, David

V

Veith House

W

Williams, P.M.

Willowbend Court

W. Williams Non-Profit Housing Association

APPENDIX F

INCORPORATED
1900

The Institute of Chartered Accountants of Nova Scotia
SUITE 914, 5161 GEORGE STREET, HALIFAX, NOVA SCOTIA B3J 1M7, TEL. (902) 425-3291

September 6, 1983

Honourable T.H. Coffin, Q.C.
Chairman
Commission of Inquiry on Rents
1649 Hollis Street
Halifax, NS
B3J 2Y3

Dear Justice Coffin:

Pat O'Neil and I were pleased to meet with yourself and John Romans on Monday to consider various matters included in our letter of July 20th. Subsequent to that meeting John called to ask if we would amplify the concept of an advisory board suggested in our brief to the Inquiry.

In discussions since our brief was submitted it seemed clear that a multi-disciplinary advisory board could have a role to play in a continuing program of rent controls. Our thoughts expressed below are based on this assumption.

Perhaps the best way to describe the role of such a board would be to provide draft terms of reference, which might stimulate discussion to arrive at a more finely-tuned role for such a board.

TERMS OF REFERENCE - RENT REVIEW ADVISORY BOARD

OBJECT OF BOARD

The purpose of this board is to provide the Rent Review Commission, and the public, with a source of impartial expertise for the resolution of matters, on both technical and policy grounds.

MEMBERSHIP

1. The board would be composed of persons resident in the province who had skills and expertise in various disciplines.

2. Initially the members would include a lawyer, a social worker, a developer, a chartered accountant, a person skilled in personal financial planning and consumerism, and an engineer (or architect) and one other person, possibly a town planner.

3. The membership should be kept to a "manageable" number, preferably seven or less members.

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4. If the chairman is to be chosen from the group it should comprise an uneven number of members.

5. If feasible, the members should be selected by the Minister from a choice of three persons nominated by a professional or industry association. (Alternately, the professional association could be asked to nominate a person as a board member.)

6. Given the intention that the Board provides impartial advice, members should be required to maintain a position of independence from the rent review process, and if this is not feasible to declare any conflicts of interest on specific issues.

7. Members, after the initial appointments, should be appointed for a two year term on a rotating basis.

8. Members may be paid an honorarum consistent with those paid to other advisory boards.

CHAIRPERSON

1. The chairperson should be elected from amongst the members of the board, by the board.

2. The chairperson should be eligible for re-election as chairperson.

FUNCTIONS AND RESPONSIBILITIES

1. The board will respond to requests from the Rent Review Commission for advice in resolving matters of a technical or professional nature.

2. The Commission would not be bound by the advice of the Board.

3. The Board may respond to requests from the Minister responsible for the Act(s) for advice concerning the administration of the Act(s).

4. The Board shall review and comment on all Commission policies, guidelines, interpretations and procedures, etc.

5. The Board may, in the interests of the public, publish any advice given by the Board.

6. The Board, with the approval of the Minister, and after consultation with the Commission, may engage professional assistance on a fee-for-service basis in the resolution of assignments given to it.

MEETINGS

The Board shall meet at least twice annually, and at other times and places as called by the Chairman.

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REPORTING

The Board shall report annually to the Minister responsible for the Act and to any other persons it deems appropriate.

On the question of the nature of matters referred to the advisory board, some are obvious and specific such as the schedule of the useful life of components of a building or apartment. Others might be of a more general nature, in which case the board could act as a "sounding board" for the Commission.

We have some difficulty with the question of whether the advice given by the advisory board should be confidential or not. We believe a case could be made for having the opinions or advice of the board open to the public, yet if it were that may well reduce the effectiveness of such an arrangement. On balance we have not mentioned this in our suggested terms of reference but we would suggest that this aspect be considered if an advisory board is recommended.

I trust this is helpful to you. If you have any questions, please call.

Yours very truly,

ROSS L. TOWLER, FCA
Executive Director

RLT/eth

APPENDIX G

NOVA SCOTIA

THE RENT REVIEW ACT, Stats. N.S., 1975, C. 56, As Amended (Cap. R-16 in Consolidated Statutes)

S. 3 - APPLICATION - All residential premises as defined notwithstanding agreement to the contrary. If agreement provides for no or less increase than guideline, lease applies. (Regulations exempt application of Act for calendar year premises first occupied and for following three (3) calendar years.)

S. 5 - ADMINISTRATION OF ACT - Minister of Consumer Affairs responsible.

S. 6 - RENT REVIEW COMMISSION - Not fewer than four (4) persons of whom three (3) members, including either the chairman or vice-chairman, constitute a quorum.

S. 9 - RENT INCREASE - Regulations set guideline percentage at 6% for 1983 and 1984.

S. 10 - INCREASE IN EXCESS OF GUIDELINE - Landlord gives tenant three (3) months notice with application to residential tenancy officer two (2) months in advance and must be authorized by residential tenancy officer as per S. 11 or Rent Review Commission as per S. 16.

S. 11 - REVIEW BY RESIDENTIAL TENANCY OFFICER - Factors considered: previous increases; return on investment; whether increase necessary to prevent landlord being adversely affected or sustaining financial loss; and other matters as prescribed by Regulations.

S. 11(3) - DECISION OF RESIDENTIAL TENANCY OFFICER - May approve requested increase; order it reduced; order landlord to repay excess or order tenant to pay amount of increase as per decision and gives written notice to both parties.

S. 12 - NOTICE OF RENT INCREASE - Given to tenant three (3) months in advance with copy to Secretary of Commission.

S. 13 - INCREASE IN NOTICE CONSIDERED EXCESSIVE - If secretary deems it excessive, notice treated as application for increase and S. 11 applies. If tenant believes increase excessive, informs residential tenancy officer within thirty (30) days and he treats it as an application as per S. 11.

S. 14 - DISCONTINUED SERVICE - Deemed a rent increase.

S. 15 - SUBLEASE OR ASSIGNMENT - Landlord not to increase rent beyond that authorized, may charge a sum not exceeding $25 for expenses incurred.

S. 16 - RIGHT OF REVIEW - Decision of residential tenancy officer may be reviewed by Rent Review Commission on its own initiative or at request of landlord or tenant. Party requesting review serves notice on other party with copy to Commission within fifteen (15) days from decision or order.

S. 16(6) - PROCEDURE AND DECISION ON REVIEW - Commission conducts review and may affirm decision of residential tenancy officer; substitute its own; and if more than one premises in complex, determine increase for all units and may determine different rate of increase for different units. Decision of Commission final and not subject to appeal, subject to S. 27 below.

S. 27 - APPEAL FROM COMMISSION - To Appeal Division of Supreme Court on question of jurisdiction or law, with leave, within thirty (30) days.

S. 31 - Order of Commission may be made order of Supreme Court.

S. 40 - OFFENCE AND PENALTY - Contravention of provision of Act or Regulations or decision or order offence subject to fine not exceeding $2,000. If landlord collects rent in excess of that authorized may be subject, in addition to fine above, to fine of 25% of rent charged.

NOVA SCOTIA

RESIDENTIAL TENANCIES ACT, Stats. N.S., 1970, C. 13, As Amended
(Cap. R - 20 in Consolidated Statutes)

S. 3 - APPLICATION - Applies notwithstanding any agreement to the contrary.

S. 4A - DISPOSAL OF TENANTS PERSONAL PROPERTY - Prohibited except if in accordance with order pursuant to Ss. 10, 10A or 11. Does not entitle tenant to leave property in premises after termination.

S. 5 - COPY OF ACT AND LEASE TO TENANT - Landlord to give copy of Act and lease, if applicable, to tenant within ten (10) days. Failure to do so enables tenant, before he receives them or within one month after, to give landlord notice he will vacate on a specified day within three (3) months and tenant may pay rent in trust to Residential Tenancies Board until landlord provides them.

S. 6 - STATUTORY CONDITIONS - Deemed to apply to all tenancies and to be reproduced in written lease. Pertain to condition of premises, existing condition, services, good behaviour, obligations of tenant, subletting of premises, abandonment and termination, entry of premises, entry doors and late payment penalty. If lease contains late payment penalty provision, not to exceed one (1) per cent per month of monthly rent. (Copy Attached)

S. 7 - NOTICE TO QUIT - Unless otherwise agreed in writing, if year to year - three (3) months by either party; month to month - landlord three (3) months and tenant one (1) month; week to week - landlord four (4) weeks and tenant one (1) week.

Ss. 7(3) and (3A) - SHORTER NOTICE IF RENT IN ARREARS - Year to year or month to month tenancy and rent in arrears for thirty (30) days, landlord may give notice effective fifteen (15) days from date of notice. Week to week and rent in arrears for seven (7) days, landlord may give notice effective seven (7) days from date notice given.

S. 8 - NOTICE OF RENT INCREASE - Three (3) months. Must be in writing. Does not apply where written lease provides for increase on predetermined basis.

S. 9 - SECURITY DEPOSIT - One-half of one months rent held in trust by landlord and may be applied to outstanding rent or to expenses incurred for damage to premises. Interest at rate of 12%. Returned to tenant within ten (10) days of termination, but if landlord seeks to apply towards outstanding rent or expenses relating to damages and tenant doesn't consent, landlord to make application under S. 10A or 11 or complaint under S. 10 and shall be made within ten (10) days, otherwise to be returned.

S. 10 - JUDICIAL PROCEEDINGS - Complaint may be made to magistrate for violation, contravention, or failure to comply with Act or statutory conditions; security deposit or money held by landlord or tenant in excess of $100; or failure to go out of possession on termination. Notice of complaint to be made within five (5) days. Magistrate may make order requiring payment of money; requiring party to perform act or cease and desist any act, provide for termination of tenancy or direct landlord to be put into possession.

S. 10A - APPLICATION TO COUNTY COURT FOR ORDER - Either party may apply for order declaring tenancy terminated; setting aside notice to quit; directing either party to be put in possession; directing tenant to pay rent in trust to residential tenancies board and directing board as to disposition of same; requiring payment of money by landlord or tenant; and requiring landlord or tenant to perform any act or cease and desist from any act. Upon receipt of application, clerk of court refers matter to residential tenancies board. S. 10B requires board to hold hearings and S. 10C requires board to file report with clerk of court and to make it available to either party at office of board within three (3) business days. Either party may file with county court notice of objection to recommendation within seven (7) days. After seven (7) days, and whether or not notice of objection has been filed, county court judge may himself, or upon application of either party, set date for hearing and adopt report in whole or in part; vary it; require supplemental report; and make an order declaring tenancy terminated, setting aside notice to quit, directing either party be put into possession, directing tenant to pay rent in trust to board and directing board as to disposition of same, requiring payment of money by landlord or tenant and requiring landlord or tenant to perform any act or cease and desist any act.

S. 11 - RESIDENTIAL TENANCIES BOARD - Three (3) members constitute a quorum. Note: S. 11(3) sets out functions and powers of board. Most powers do not apply as they were ruled ultra vires by Nova Scotia Supreme Court in case of Burke vs Arab, and Act subsequently amended by adding Ss. 10A - 10D.

S. 11B - RETALIATION - Magistrate, county court judge, or board may refuse to exercise in favour of landlord or may set aside notice to quit if of opinion that landlord acted in retaliation for tenant attempting to secure or enforce rights under this Act, or the Rent Review Act.

S. 11E - OFFENCE AND PENALTY - Violation or failure to comply with order, direction or other requirement of board, contravention of this Act or retaliatory action by landlord against tenant punishable on summary conviction and liable to a fine not exceeding $1,000.

S. 11F - CONSENT TO PROSECUTION - No proceeding to be brought under S. 11E above without consent of Attorney General.

STATUTORY CONDITIONS

Statutory Conditions

6 (1) Notwithstanding any lease, agreement +[,] waiver, declaration or other statement to the contrary where the relation of landlord and tenant exists in respect of residential premises by virtue of this Act or otherwise, there shall be and shall be deemed to be an agreement between the landlord and tenant that the following conditions will apply as between the landlord and tenant as statutory conditions governing the residential premises:

Statutory Conditions

1. Condition of Premises - The landlord shall keep the premises in a good state of repair and fit for habitation during the tenancy and shall comply with any statutory enactment or law respecting standards of health, safety or housing.

2. Existing Condition - Except as required by any statutory enactment or law respecting sandards of health, safety or housing, the landlord shall not be required to repair or improve the premises beyond the state of repair that existed at the time the tenant first acquired possession of the premises.

2A. Services - Where the landlord provides a service or facility to the tenant that is reasonably related to the tenant's continued use and enjoyment of the premises such as, but not so as to restrict the generality of the foregoing, heat, water, electric power, gas, appliances, garbage collection, sewers or elevators, the landlord shall not discontinue providing that service to the tenant without permission from the Residential Tenancies Board.

2B. Good Behaviour - A tenant shall conduct himself in such a manner as not to interfere with the possession or occupancy of other tenants.

3. Obligation of the Tenant - The tenant shall be responsible for the ordinary cleanliness of the interior of the premises and for the repair of damage caused by wilful or negligent act of the tenant or of any person whom the tenant premits on the premises.

4. Sub-letting Premises - The tenant may assign, sub-let or otherwise part with possession of the premises subject to the consent of the landlord which consent will not arbitrarily or unreasonably be withheld or charged for unless the landlord has actually incurred expense in respect of the grant of consent.

5. Abandonment and Termination - If the tenant abandons the premises or terminates the tenancy otherwise than in the manner permitted, the landlord shall mitigate any damages that may be caused by the abandonment or termination to the extent that a party to a contract is required by law to mitigate damages.

6. Entry of Premises - Except in the case of an emergency, the landlord shall not enter the premises without the consent of the tenant unless

(a) notice of termination of the tenancy has been given and the entry is at a reasonable hour for the purpose of exhibiting the premises to prospective tenants or purchasers; or

(b) the entry is made during daylight hours and written notice of the time of the entry has been given to the tenant at least twenty-four hours in advance of the entry.

7. Entry Doors - Except by mutual consent, the landlord or the tenant shall not during occupancy by the tenant under the tenancy alter or cause to be altered the lock or locking system on any door that gives entry to the premises.

8. Late Payment Penalty - Where the lease contains provision for a monetary penalty for late payment of rent, the monetary penalty shall not exceed one per cent per month of the monthly rent.

Duty To Reproduce Statutory Conditions in Written Lease

(2) Where the landlord and tenant propose to enter into a written lease, in respect of the residential premises, the statutory conditions listed in subsection (1) shall be reproduced in the lease without variation or modification. 1970, c. 13, s. 6; 1970-71, c. 74, s. 2; 1975, c. 64, s. 3.

NEW BRUNSWICK

RESIDENTIAL RENT REVIEW ACT, 1983 - (No Citation Available)
(NOTE: PROCLAIMED July 15, 1983)

S. 2 - ADMINISTRATION - Minister of Justice is Minister responsible for administration of the Act.

S. 4 - APPLICATION - All increases after August 31, 1982. Charges for a service, facility or privilege, etc. or discontinuance of them deemed a rent increase.

S. 5 - EXEMPTIONS - Among others, premises occupied for first time after August 31, 1982, increase in rent if premises not rented during previous twelve (12) month period or first increase after major renovations in certain instances.

S. 6 - INCREASE IN RENT SUBJECT TO REVIEW - Increase takes effect after August 31, 1982, and before January 1, 1983 and exceeds January 1, 1982 rent by more than 6 per cent; between January 1, 1983 and January 1, 1984 and exceeds rent by more than 5 per cent; 1984 or subsequest years - more than percentage prescribed by Regulations. Note: In all instances, onus upon tenant to file application for review with Rentalsman.

S's 7 to 12 - PROCEDURE ON REVIEW - Increase after August 31, 1982 but prior to Act entitles tenant, within three (3) months after Act to file application for review. After Act, tenant may within fifteen (15) days or after receipt of notice, whichever is later, file application for review. Rentalsman notifies landlord and holds a hearing. NOTE: S. 9(3) " On a review under this section the onus is on the landlord to justify the increase in rent."

S. 10 - For hearing, Rentalsman may: conduct any investigation he considers necessary; receive verbal or written submissions; inspect premises; question any person; inspect books, records, etc.; require information to be furnished orally or by statutory declaration; administer oaths; require parties to give evidence under oath and to be cross-examined; and accept any evidence he considers necessary. May consider other relevant information provided he makes it available to parties and gives them opportunity to explain or refute it. Parties entitles to be present at hearing and accompanied by advisers. Rentalsman makes available to parties all relevant m terial filed. Tenant may withdraw application any time before decision rendered.

S. 11 - Rentalsman may approve increase in full or in part, reduce it and if so, may order landlord to pay excess to tenant or, in case of previous tenant, to Rentalsman, who shall endeavour to locate former tenant and pay to him. If unable to locate, upon expiration of Act, amount paid into consolidated fund. Rentalsman gives decision or order in writing with reasons, to parties.

S. 12 - If application pertains to premises situated in complex containing other premises, Rentalsman may review all rents, after giving notice to all tenants, and may make an order applying uniformly or individually for all or any.

S. 13 - NOTICE OF INCREASE IN RENT - 2 months unless longer period agreed to in tenancy agreement, or notice served prior to act.

S. 14 - FREQUENCY OF RENT INCREASE - Once in any 12 month period.

Ss. 15 & 16 - SUBSEQUENT INCREASES - In the interpretation section, subsequent increase is defined as "means a second or subsequent increase in rent in any twelve month period".

S. 15 - Subsequent to August 31, 1982 but prior to Act, if landlord made subsequent increase, he shall, within 3 months after Act, apply to Rentalsman for approval and unless approved, deemed to be in violation of the Act and is void. Rentalsman may, on his own or upon application by tenant or previous tenant, request landlord to apply for approval of subsequent increase made after August 31, 1982 but prior to the Act if 3 month period has not expired.

S. 16 - APPLICATION FOR A SUBSEQUENT INCREASE - Landlord applies to Rentalsman with notice to tenant 2 months in advance or longer period if provided for in lease. Sets out reasons for requesting subsequent increase and to be accompanied by all material upon which application is based. Rentalsman shall disapprove subsequent increase unless satisfied increase necessary due to extraordinary hardship arising since previous increase and if satisfied, may allow application in whole or in part. If granted, no additional subsequent increase for next 12 month period.

Ss. 17 - 20 - APPEAL TO CHIEF RENTALSMAN - Order or decision of Rentalsman may be appealed to Chief Rentalsman by serving Notice of Appeal and on other party within 15 days or order or decision. Chief Rentalsman holds hearing and has powers of Commissioner under Inquiries Act and power of Rentalsman under Act and Regulations. Hears appeal based upon record before Rentalsman, subsequent submissions of parties, additional evidence that the parties may wish to adduce or additional information that he may require from parties. He may affirm, disallow or vary order or decision of Rentalsman or substitute his own and gives written notice of his order, with reasons, to parties. His decision is final and not subject to appeal, subject to S. 21.

S. 21 - REVIEW BY THE COURT - Order or decision of Chief Rentalsman may be reviewed and set aside by a Judge of the Court of Queen's Bench, if application made within fifteen (15) days after receipt of order or decision, and on grounds it was made without jurisdiction or on basis of an error of law. Chief Rentalsman

delivers to court all documents in his possession relating to application and copy of his decision. Application stays the operation of the order or decision being appealed. Judge may allow application, set aside order or decision, dismiss application or substitute his own.

S. 22 - Pending final determination, Rentalsman, Chief Rentalsman or Judge may order tenant to pay landlord requested increase, or payment to be deferred until final determination, or tenant to pay requested increase to Rentalsman or Chief Rentalsman.

S. 23 - NEW TENANT - Landlord to give new tenant notice stating rents paid within past 12 months and within 15 days, new tenant may make application for review if he thinks Act violated or rent subject to review.

A. 26 - RETALIATORY EVICTION - Notice to Quit is invalid if made within three (3) months from tenant having made application for review or taking other action to enforce his rights under Act, and onus is upon landlord to satisfy Rentalsman that notice not retaliatory.

S. 37 - EXPIRY - Act expires on Aubust 31, 1985 (So-called "Sun-set Law")

PRINCE EDWARD ISLAND

RENT REVIEW ACT - R.S.P.E.I., 1974, CAP. R-13.1, AS AMENDED

S. 2 - PROVISION FOR APPOINTMENT OF RENTALSMAN - Act gives him powers, for purposed of rent review, similar to Residential Tenancy Officer and Rent Review Commission in Nova Scotia. No Rent Review Commission or equivalent thereof.

S. 4(2) - PERMITTED PERCENTAGE OF RENT INCREASE - For 1983, as per Regulation No. EC677/82, S. 18(a) - When rent lawfully increased in 1982, six (6) per cent where heating provided, and four (4) per cent when not; S. 18(b) - Where no rent increase in 1982, ten (10) per cent where heat provided and six (6) per cent when not.

S. 4(3) - INCREASE OVER MINIMUM PERCENTAGE - Must apply sixty (60) days in advance to Rentalsman with notice to tenant.

S. 4(4) - No increase permitted unless one (1) year has expired since any previous increase.

4(5) - Gives tenant right to dispute amount of rent increase within sixty (60) days after receiving notice of increase by giving notice to landlord requiring landlord to apply to Rentalsman to justify increase.

S's 4(6), 4(7), 4(8) - Landlord, within fifteen (15) days of receipt of notice may either (a) reduce rent to an amount agreed upon by himself and tenant, or (b) file application with Rentalsman setting forth particulars justifying claimed increase; required to give tenant copy of application; failure to reduce rent or to file application within fifteen (15) day period gives tenant option to apply to Rentalsman for an order declaring proposed increase null and void.

S. 4(11) - Landlord required to give ninety (90) days notice prior to increasing rent in accordance with minimum percentage as per S. 4(2).

S. 5(2) - MATTERS TO BE CONSIDERED BY RENTALSMAN AFTER APPLICATION FOR INCREASE - (a) any previous increase in rent for the premises, (b) whether or not increase is necessary in order to prevent landlord sustaining financial loss, (c) such other matters as may be prescribed by regulations (note: no such matters set out in Regulations).

S. 5(3) - Rentalsman may : (a) approve amount of increase if satisfied that it is justified, (b) order landlord to reduce rent, (c) order landlord to repay to tenant rent paid in excess of amount determined under (b) above, (d) order tenant to pay landlord any money owing by reason of decision and written notice of decision must be given to all parties within thirty (30) days of hearing.

S. 5(4) - Rentalsman shall give reasons for any decision made by him.

S. 5(5) - Rentalsman has powers of a Commissioner under the Public Inquiries Act.

S 5(6) - Until Rentalsman gives decision, increases up to limits as per S. 4(2) maybe charged and collected by landlord.

S. 7 - Discontinuence of a service, privilege, etc, resulting in substantial reduction of tenants use and enjoyment of premises deemed a rent increase.

S. 10 - Decision of Rentalsman maybe appealed in Supreme Court; proceedings by way of hearing de novo and court may affirm decision of Rentalsman or make any other decision that Rentalsman is authorized to make under the Act and substitute its opinion for that of Rentalsman.

PRINCE EDWARD ISLAND

LANDLORD AND TENANT ACT- R.S.P.E.I., 1974, CAP. L-7, as amended

(NOTE: Part V dealing with residential tenancies commences with S. 90 on page 28 of the Act.)

S. 92 - RIGHT TO ASSIGN OR SUBLET - Applies where tenancy agreement in effect for six (6) month's,subject to landlord's consent, tenant required to give landlord one (1) month's notice of request for consent, landlord not permitted to charge except for his reasonable expenses incurred thereby, and provision may be included in agreement that instead of consenting, landlord may give tenant one (1) month's notice to quit.

S. 95 - COPY OF TENANCY AGREEMENT TO TENANT - Within twenty-one (21) days, and tenant's obligation thereunder cease until he is provided with a copy.

S. 96 - SECURITY DEPOSIT - Maximum -one(1) month's rent, maintained in seperate trust account, interest at ten per cent or higher if both parties agree, to be paid annually to tenant unless he elects to have it paid on termination. If landlord earns in excess of ten or higher agreed percentage, excess is his.

S. 97 - RETURN OF SECURITY DEPOSIT - To be returned within ten (10) days. If all or portion to be deducted, landlord gives tenant statement of account and returns balance to him within ten (10) days. If landlord unable to determine deduction within ten (10) days, gives tenant estimated statement together with estimated balance of deposit within ten (10) days and delivers final statement together with balance of deposit, if any, within thirty (30) days.

S. 98 - NO DISTRESS FOR RENT - Landlord shall not distrain for default in payment of rent except where a tenant abandons the premises.

S. 100 - ACCELERATION OF RENT - Any such provision is void and unenforceable.

S's 102 to 106 - Similar to Statutory Conditions in Nova Scotia Act, but not as detailed, and no requirement for them to be included in the written lease. Landlord required to post notice(if more than one unit in building) in common area, of certain sections of Act, such as notice to quit and service provisions.

S's 107 to 109 - NOTICE TO QUIT - Weekley tenancy - one (1) week by either party; monthly tenancy - one (1) month by either party; year to year tenancy - sixty (60) days by either party.

NOTE: No equivalent of our Residential Tenancy Officer or Residential Tenancies Board. All applications must be made to a Judge of the County Court.

PRINCE EDWARD ISLAND

RESIDENTIAL TENANCIES ACT - BILL NO. 42 - FIRST READING: June 7, 1983 - NOT PROCLAIMED

NOTE: It is the intent of this Act, when proclaimed, to repeal Part V of the Landlord and Tenant Act and the Rent Review Act in its entirety.

S. 2 - APPLICATION - Applies, notwithstanding any agreement, waiver or statement to the contrary.

S. 5 - OBLIGATIONS OF LANDLORD - Maintain premises in good state of repair and fit for habitation; comply with all health, safety, housing and building standards; keep common areas in clean and safe condition and give tenant quiet enjoyment. Apply whether state of non-repair or unfitness existed to knowledge of tenant before lease entered into or thereafter. Landlord and tenant of single family dwelling or premises within two family dwellings may agree in writing that tenant perform foregoing landlord's obligations.

S. 6 - TENANT'S OBLIGATIONS - Pay rent; ordinary cleanliness; repair damages; and not cause disturbance or nuisance.

S. 7 - FAILURE OF TENANT TO COMPLY WITH OBLIGATIONS - Landlord may serve notice on tenant, copy to Rentalsman, stating complaint. Failure to comply with obligation enables landlord to advise Rentalsman by notice. Rentalsman conducts investigation, inspects premises and may require tenant to fulfill obligations. Failure to do so may result in Rentalsman authorizing landlord to serve Notice to Quit. NOTE: Does not apply to failure to pay rent - dealt with under S. 20.

S. 8 - LANDLORD'S FAILURE TO COMPLY WITH OBLIGATIONS - Similar provisions to S. 7 above and Rentalsman may make order reducing rent until obligations fulfilled or authorize tenant to serve Notice to Quit effective last day of current rent payment period.

S. 10 - ASSIGNMENT AND SUBLETTING - If lease for 6 months or more, tenant has right to assign or sublet, but lease may provide subject to consent of landlord, if applicable, tenant gives 1 month's notice of request for consent and landlord not to charge for giving it except for expenses incurred. Lease may provide that instead of consenting, landlord may serve 1 month's notice to quit.

S. 11 - COPY OF TENANCY AGREEMENT - Delivered to tenant within 21 days and failure results in tenants' obligations ceasing until copy provided.

S. 12 - SECURITY DEPOSITS - Maximum amount - 1 month's rent. If security deposit taken, both parties sign certificate setting out condition and contents of premises. Deposits to be held in trust

by landlord. Either pays interest annually or parties may agree in writing to payment upon expiration of tenancy or at any other time. Interest as per regulations and landlord entitled to retain any excess profit. Parties may agree in writing to higher rate of interest.

S. 13 - RETURN OF DEPOSIT - To be returned within 10 days, but if all or portion thereof may be deducted in accordance with written agreement, landlord to deliver statement of account and return balance within 10 days or if landlord entitled to make deduction for repairs and unable to determine correct amount within 10 days, makes estimate, returns estimated balance to tenant within 10 days and delivers final statement with final balance to tenant within 30 days. Any question concerning deductions from deposit may be subject to complaint to Rentalsman who may order return of all or portion of it.

S. 14 - Distress for rent abolished.

S. 15 - Acceleration of rent prohibited.

S. 16 - ABANDONED CHATTELS - Landlord may remove and advise Rentalsman. If of no value, unsanitary or dangerous, Rentalsman may authorize landlord to dispose of them. If valued at less than amount owing to landlord, Rentalsman may order sale. If valued greater, Rentalsman may order them stored and advises tenant. If tenant does not respond, Rentalsman may authorize landlord to sell, deduct from proceeds of sale the cost of sale and storage, amount owing landlord and balance paid to Rentalsman. If unclaimed by tenant after 1 year, transferred to Consolidated Fund.

S. 19 - NOTICE OF NAME AND ADDRESS OF LANDLORD - In complex containing more than 1 unit and with common areas, landlord to post notice and any proceeding taken by tenant may be commenced against landlord in name and adress so posted.

S. 20 - FAILURE TO PAY RENT - If tenant fails to pay within a period of 7 days, landlord may serve notice requesting payment and copy to Rentalsman. Rentalsman conducts investigation and notifies both parties of results within 5 days. If he finds rent not paid, authorizes landlord to serve Notice to Quit. If rent to be paid once a month or less, Notice to Quit to be effective on last day of month in which it is served unless all rent due received within 7 days of notice. If rent to be paid more often than once each month, notice effective on last day of week following week in which notice served unless all rent due received prior to them. If landlord requests any payment of rent not to have effect of continuing tenancy and establishes to satisfaction of Rentalsman that tenant has been served previously with Notice to Quit, notice effective in accordance with above provisions, notwithstanding receipt of rent prior to them.

S. 22 - EVICTION - If a tenant doesn't vacate in accordance with notice, landlord applies to Rentalsman. Holds hearing and may issue eviction order. If landlord or tenant have served notice to terminate and tenant does not vacate, landlord may apply to Rentalsman for eviction order. Rentalsman conducts investigation and may issue eviction order, and give it to sherrif, who puts landlord in possession and any chattels may be removed and dealt with in accordance with S. 16.

S. 23 - GROUP EVICTION - Applies where 3 or more premises in same building. By definition, group eviction means: "the circumstances where 50% or more of the tenants of a landlord receive notices to terminate their tenancies or the landlord refused to renew their tenancy agreements, at or about the same time." Group eviction prohibited unless landlord applies to Rentalsman for eviction orders in circumstances where landlord requires premises for purposes of demolition, change in use to other than residential premises, making extensive repairs or renovations and has obtained all necessary permits. Rentalsman conducts investigation and may issue eviction orders on last day of rental period, not earlier than 2 months after date of application or at end of tenancy, whichever is later. If such order issued and landlord does not demolish, change use or make repairs or renovations, landlord not to enter into new tenancy agreement unless rent to be charged first approved by Rentalsman.

S. 25 - NOTICE OF TERMINATION - 2 months for year to year tenancy, 1 month for month to month tenancy and 1 week for week to week tenancy, both by landlord and tenant. Notice to be in writing and landlord to forward copy to Rentalsman.

S. 29 - FUNCTIONS OF RENTALSMAN - Advise landlords and tenants; investigate complaints and mediate disputes; investigate allegations of violation of Act; inspect premises upon receipt of complaint; issue notices and orders as authorized by Act; enter premises for purposes of discharging his duties; hold hearings, with notices thereof to parties, determine matters of procedure at hearings and make decisions on complaints. Rentalsman has powers of Commissioner under Public Inquiries Act.

Ss. 31 - 33 - RENT INCREASES - Frequency: 12 months from previous increase or from date rent first charged. In writing, served on tenant 3 months prior to effective date. Within 30 days of receipt, tenant may serve notice of objection to increase on landlord, with reasons, and send copy to Rentalsman. Landlord shall, unless parties reach agreement, apply to Rentalsman to review proposed increase. Rentalsman sets date for hearing and notifies parties. In reviewing application, Rentalsman shall consider following factors: any financial loss incurred by landlord; change in services or amenities provided; history of rent increases for premises; quality of premises; and rent charged for similar premises in immediate area. Within 30 days of hearing, Rentalsman renders decision and makes order approving increase, reducing rent or denying application. Rentalsman required to give reasons for decision and give copy to parties.

S. 34 - JUDICIAL REVIEW - Within 14 days of decision, notice to quit or order of eviction made by Rentalsman, either party may apply by way of originating notice to a Judge of Supreme Court with notice to landlord or tenant and Rentalsman 3 days prior. Rentalsman provides all documentation in his possession including decision with reasons. Application stays operation of decision of Rentalsman. Judge may allow application and set aside decision, notice to quit or order of eviction or may dismiss application and shall make order establishing effective date. If Judge allows application, he shall set aside decision, notice to quit or order of eviction and refers matter to Rentalsman with directions as to manner in which Rentalsman to proceed and Rentalsman proceeds accordingly.

NEWFOUNDLAND

LANDLORD AND TENANT (RESIDENTIAL TENANCIES) ACT, Stats. NFLD., 1973, No. 54 as amended

S.6 - REQUIREMENT FOR LEASE - Landlord to provide tenant with copy of Act and lease. Failure to provide copy of Act entitles tenant to give notice that he will forthwith, or on a specified date within a period of three (3) months, quit and deliver up the premises, and the lease shall then be void. Failure to provide copy of the lease relieves the tenant from obligation to pay rent until copy is provided.

S. 7 - STATUTORY CONDITIONS - similar to Nova Scotia Act, deemed to apply to all leases, and required to be reproduced in a written lease.

S. 15 - NOTICE TO QUIT - unless agreed upon in writing for a longer period, notice is as follows: on a year to year tenancy- three (3) months by either party; on a month to month tenancy- three (3) months by landlord and one (1) month by tenant; and on a week to week tenancy - four (4) weeks by landlord and one (1) week by tenant. Exceptions where rent is in arrears for one rent period - landlord may give tenant notice to quit effective end of next rent period.

S. 17 - RENTAL INCREASE - Three (3) months notice in writing. Any lease providing for increase on a predetermined basis is null and void.

S. 18 - SECURITY DEPOSIT - on a week to week tenancy - rent for two (2) weeks, and other than week to week tenancy - rent for one half of one month. Held by landlord, in trust, with interest at 6%. To be returned to tenant within thirty (30) days after termination. If landlord wishes to apply deposit towards damaged premises and tenant does not consent in writing, landlord must commence action in District Court within fifteen (15) days of termination, and if no Action commenced, deposit to be returned to tenant with interest.

S. 19 - JUDICIAL PROCEEDINGS - Actions may be commenced in District Court for a contravention or failure to comply with any provisions of the Act: failure to comply with statutory conditions; security deposits; or refusal to go out of possession of premises

upon termination of tenancy. Landlord or tenant must give five (5) days notice to other party before action is commenced. Judge may make order requiring payment of money by landlord or tenant; requiring landlord or tenant to perform any act or cease and desist any act; authorize application of security deposit; provide for rent payable to landlord to be held in trust pending performance by landlord of any act required by him; provide for termination of tenancy; or direct that landlord be put into possession of premises.

S. 20 - RESIDENTIAL TENANCIES BOARDS -provision for Boards composed of five (5) persons, one of whom should be a lawyer, and if no lawyer is on the Board, Minister shall provide the services of a lawyer to assist the Board.

S. 20 (7) - FUNCTIONS OF BOARD - similar, in part, to Nova Scotia, but also provision to set rent charged for residential premises at request of landlord or tenant and once so set, in effect for maximum of twelve (12) months. Board has same powers to make an order as Judge under S. 19.

S. 20a (1)-APPEAL FROM DECISION OF BOARD - Appeal lies to District Court Judge, to be made within thirty (30) days of decision of Board.

S. 20.1 - FACTORS CONSIDERED BY BOARD IN SETTING RENT - fair and equitable return on investment; current fair market values; all reasonable operating expenses; quality of life and shelter; and such other matters as may be appropriate.

QUEBEC

AN ACT TO ESTABLISH THE REGIE DU LOGEMENT AND TO AMEND THE CIVIL CODE AND OTHER LEGISLATION, Stats. Quebec, 1979, C. 48, as amended

NOTE: In the Province of Quebec, laws pertaining to residential premises are set out in the Civil Code, the above captioned Act as well as other legislation. This Act contains relevant excerpts from the Civil Code and because of a different legal system in the Province of Quebec are compared to the other Canadian provinces, some of the words and expressions have no equivalent in the Common Law. Therefore, set out below are brief excerpts pertaining to the more controversial sections of laws dealing with residential tenancies.

A's 1650 to 1665.6 apply to all residential premises and mobile home pads.

A's 1651 - 1651.7 - THE LEASE AND THE RENT - Copy of written lease to be given to tenant within ten (10) days; landlord required to give tenant written notification of lowest rent paid during preceeding twelve (12) months; rents payable in equal installments and any installment cannot exceed one (1) month's rent; rent payable in advance on first day of each month.

CONDITION OF THE PREMISES

A's 1652 - 1652.2 - OBLIGATIONS OF THE LANDLORD - Landlord must deliver premises in clean condition, maintain them in condition fit for habitation, bound to comply with all legal obligations regarding safety, sanitation, etc., and these obligations form part of the lease.

A's 1652.3 - 1652.7 - OBLIGATIONS OF TENANT - Keep premises in clean condition, comply with obligations imposed by law pertaining to safety and sanitation, not permit over-crowding, inform landlord of serious defect or deterioration within reasonable time, and remove all personal effects at end of lease.

A's 1652.8 - 1652.11 - DWELLING UNFIT FOR HABITATION - If unfit for habitation, tenant, upon notifying landlord, may abandon the premises and not bound to pay rent. Upon premises becoming fit for habitation, landlord notifies tenant and tenant must, within ten (10) days, notify landlord whether or not he intends to return to premises. If he does not so notify, landlord may rent to new tenant.

A's 1653 - 1653.5 - REPAIRS - Major improvements or repairs not to be done until tenant has ten (10) days notice and if repairs to take more than one (1) week, notice must be one (1) month.

A's 1654 - 1654.4 - ENTRY OF PREMISES AND ENTRY DOORS - Similar to statutory conditions 6 and 7 of Nova Scotia Act regarding landlord entering premises during certain hours only after notice and neither party to change locks on entry doors except by mutual consent.

A's 1655 - 1655.2 - SUBLETTING AND ASSIGNMENT - Tenant not to sublet or assign without notifying landlord; if landlord, within ten (10) days, fails to notify tenant of his refusal, deemed to have consented and can only obtain reasonable expenses incurred.

FAILURE TO COMPLY WITH OBLIGATIONS

A's 1656 - 1656.3 - BY THE LANDLORD - Tenant may apply to the Regie to withhold rent and perform obligation himself and for a specific performance amount reduction in rent or termination of lease. May also deposit rent with the Regie, with permission, and gives landlord ten (10)days notice. Landlord may then apply to Regie to recover rent and that body may authorize rent to be returned to the landlord, permit tenant to continue to pay rent that way until landlord performs obligation or authorize the rents to be released to tenant to enable him to perform obligation himself. If tenant seeks termination of lease, Regie may terminate it immediately, order landlord to fulfill his obligation within a time frame and failure to do so may result in lease being terminated.

A's 1656.4 - 1656.6 - BY THE TENANT - Landlord may apply to Regie for termination of lease if tenants failure causes "serious prejudice" to the landlord or if tenant in rental arrears for more than three (3) weeks. Frequent late payment of rent may constitute "serious prejudice". If landlord applies to Regie for termination of lease for this reason, tenant may avoid termination by paying rent due together with interest. If termination requested for any other reason, Regie may terminate lease immediately or order tenant to perform obligation and if tenant fails to do so, Regie may terminate lease.

A's 1657 - 1657.5 - SECURITY OF TENURE - Tenant entitled to remain in premises and may only be evicted for just cause which would include a breach of obligation as per A's 1652.3 to 1652.7 or non-payment or late payment of rent as per A's 1656.4 to 1656.6 above. Landlord only regains possession by order from Regie. Tenants' right to continue in possession extends to his spouse or other relatives who have lived with the tenant for at least six (6) months. In the event of the death of a tenant, persons living with him at time of death may continue in possession.

A's 1658 - 1658.22 - RENEWAL OF LEASE AND RENTAL INCREASES - When tenancy expires, automatically renewed and if for a fixed term, is renewed for same term on same conditions, but if lease exceeds a twelve (12) month term, renewed for twelve (12) months only unless parties agree otherwise. Upon renewal, landlord may increase rent and change conditions or change length of lease by serving notice on tenant. Upon receipt of notice, tenant, if he does not wish to renew, may inform landlord in writing. If he wishes to renew but does not agree to proposed new changes, must advise landlord and failure to do so is deemed as agreeing to new conditions. Landlord then applies to Regie for ruling. Notice mentioned above three (3) months if lease for twelve (12) months or more, or one (1) month if term for less than twelve (12) months. Notice must indicate increase in dollars or as percentage of existing rent.

Legislation does not provide for a guideline percentage increase as in most other provinces. Once the rent has been fixed by the Regie, it is fixed for twelve (12) months, but in the case of a new tenant, the rent can be fixed for the term of the lease. Nevertheless, the landlord may apply for an annual increase to be made three (3) months prior to the expiry of each twelve (12) month period. The foregoing provisions do not apply to premises in a building less than five (5) years old, and to certain other exceptions such as co-operative housing to one of its members.

A's 1659 - 1659.8-RETAKING POSSESSION - landlord may retake possession for his use or for certain family members. Must give tenant six (6) months notice before expiry of lease if for fixed term over six (6) months, or if lease for an indeterminate term, six (6) months before date on which he intends to take possession. If for a fixed term of six (6) months or less, landlord must give one (1) months notice. Tenant has one (1) month within receipt of notice to notify landlord of his intention to comply with notice and failure to notify landlord is deemed to be refusal to vacate premises. If tenant refuses to vacate premises, landlord may apply to the Regie within one (1) month of the refusal and must prove good faith in showing that he intends to retake possession for purpose mentioned in notice. If after giving notice, another dwelling of the landlords of the same type, situated in the same neighbourhood and renting for an equivalent amount becomes vacant, and is available before retaking possession date, landlord must occupy other dwelling rather than exercising his right of retaking possession and evicting tenant, unless tenant otherwise agrees. If Regie authorizes retaking of possession, it may impose conditions and require landlord to reimburse tenant for his moving expenses.

A's 1660 - 1660.5 - TERMINATION FOR CHANGE OF USE OF PREMISES - Similar procedure applies as for A's 1659 to 1659.8 above. In addition, landlord must pay tenant indemnity equal to three (3) months rent as well as moving expenses.

A's 1663 - 1663.5 - SPECIAL PROVISIONS FOR MOBILE HOMES - Landlord must deliver mobile home pad and maintain it in accordance with standards provided by law, regulation or municipal by-laws and this obligation forms part of the lease. Landlord cannot impose conditions limiting tenant from replacing mobile home by another mobile home of his choice and cannot require tenant to have landlord move mobile home to new site.

A's 1664 - 1664.11 - UNENFORCEABLE PROVISIONS IN LEASES - sets out clauses or conditions that cannot be included in any lease, some examples being: Acknowledgement by tenant that premises in good condition; clause permitting variation in rent during term; clause rendering tenant responsible for damages caused through no fault of his own; clause limiting number of members of family occupying premises; in case of a mobile home pad, a clause to prohibit tenant from subletting his mobile home; clause prohibiting tenant to purchase goods or to obtain services from persons of his choice.

A's 1665 - 1665.6 - PROHIBITIONS - Refusal to lease to person by reason of that person being pregnant or having children, unless refusal justified by limited space of premises; post-dated cheques for rental payment, security deposits, or any money other than for rent; landlord leasing premises declared unfit for habitation; tenant keeping any substance which constitutes a fire risk or which would have effect of increasing landlords incurance premiums.

ONTARIO

RESIDENTIAL TENANCIES ACT, R.S.O., 1980, C. 452, as amended

NOTE: Sections 5 to 59, 62 to 69, 74, 111 to 113, 116, 119, not proclaimed and provisions of Landlord and Tenant Act, R.S.O., 1980, C. 232, as amended, still apply.

PART 1 - TENANCY AGREEMENTS

S. 5 - Prescribes a standard form written tenancy agreement which shall be as set out in the Act(see page 69), but if not in that form, deemed to include provisions of that form and any provisions inconsistent with it or with the Act are void.

S. 6 - An additional written agreement for other benefits and obligations not in conflict with the Act may be entered into but unenforceable unless reasonable.

S. 7 - ACCELERATED RENT - Accelerated rent prohibited.

S. 8 - WRITTEN COPY OF TENANCY AGREEMENT - given to tenant within twenty-one (21) days. Failure to do so results in postponing tenants obligation to pay rent and other obligations of tenant, in addition to those contained in standard form agreement, do not apply.

S. 9 - SECURITY DEPOSIT - weekly tenancy - one (1) week's rent, for other than weekly tenancy - one (1) month's rent. To be applied only toward payment of last rent. May be required only at commencement of tenancy, but where a lawful rent increase, additional amount may be required. Landlord pays tenant interest thereon anually at a rate of 9% per year.

S. 11 - Prohibits use of post-dated cheques and credit cards for rental payments.

PART II CHANGE OF LANDLORD OR TENANT

S's 14 & 15 - Where change of landlord or tenant, benefits and obligations continue.

S. 16 - ASSIGNMENT AND SUBLETTING -

Assignment - tenant does not intend to return to the rental unit and gives up all his interest to another person.

Subletting - tenant intends to return to the unit and gives up right to occupy unit to another person for a term ending on a specific date before the end of the tenant's term, at which time the tenant will resume occupancy.

Assignment or subletting not valid unless landlord has given written consent or Residential Tenancy Commission has made order dispensing with consent requirement. Landlord not to charge more that fifty dollars ($50.) for expenses incurred thereby.

PART III - BENEFITS AND OBLIGATIONS

S's 23 & 24 - SECURITY OF TENURE - Landlord shall not regain possession of premises unless he has a Writ of Possession or the tenant has vacated or abandoned the premises. Provision for automatic renewal of tenancy, subject to rental increase, where no new tenancy agreement has been entered into or the tenancy has not been terminated in accordance with the provisions of the Act.

S's 25 to 27 - Set out mutual obligations of landlord and tenant.

S's 28 to 35 - Set out landlords obligations.

S's 36 to 42 - Set out tenants obligations.

The above-mentioned sections set out provisions similar to the statutory conditions of Nova Scotia Residential Tenancies Act, but are much more detailed and provide remedies for breach, including powers of Residential Tenancy Commission for breaches of obligations. Sections 43 and 44 provide for enforcement of Court or Residential Tenancy Commission orders when either landlord or tenant fails to comply with them, including directing tenant to pay rent to Commission in trust, extending time to comply with order, and terminating of tenancy.

PART IV - TERMINATION WITHOUT FAULT

NOTE: This part not proclaimed.

S. 45 - Provision for landlord and tenant to agree to terminate on a specific date - must be in writing.

S. 46 - Where a tenancy agreement specifies a date for tenancy to end, tenant may terminate on that date by giving landlord thirty (30) days notice.

S. 47 - Provides for a tenant to terminate agreement, in absence of specific date, in case of a weekley tenancy - seven (7) days notice, or, other than weekley tenancy - thirty (30) days notice.

S. 51 - TERMINATION BY LANDLORD FOR HIS OWN OR HIS FAMILIES USE, OR WHERE PROPERTY SOLD AND PURCHASER REQUIRES PREMISES FOR HIS OWN OR HIS FAMILIES USE - Residential Tenancies Commission may order

termination of tenancy not earlier than sixty (60) days after date of application or at end of tenancy agreement, whichever is later.

S. 52 - Provision where landlord may apply to the Residential Tenancy Commission where he requires possession for demolition, change of use, or major repairs, Commission may terminate tenancy one hundred and twenty (120) days after application is made or at end of tenancy agreement, whichever is later. Provision for tenant to have right of first refusal when repairs or renovations are completed.

S. 57 - Where rental unit uninhabitable or where tenancy agreement otherwise frustrated, tenancy deemed to have been terminated on date performance became impossible or tenancy agreement was frustrated.

S. 58 - Where tenant abandons or surrenders unit, tenancy agreement terminated on that date, and subject to landlord's duty to migrate losses, tenant liable to compensate landlord for loss of future rent. Residential Tenancy Commission may make order to this effect, upon application of landlord.

PART V - NOTICE OF RENT INCREASES

S. 60 - Ninty (90) days notice period required and amount of increase be expressed both in dollars and as percentage of current rent.

PART VI - TENANT'S PERSONAL PROPERTY

S. 63 - Where tenant, without agreement, leaves personal property on premises which he has vacated or abandoned, landlord may remove them, after giving an inventory to the Residential Tenancy Commission and to the tenant. The Commission may permit landlord to sell or dispose of property of little value or which would be unsanitary or unsafe to store or worthless. Commission to direct landlord to store remaining property in a safe place for not less than sixty (60) days; upon tenant or owner paying the landlord cost of removal and storage, landlord shall give property to tenant or owner and notify Commission; after sixty (60) day period has expired Commission may permit landlord to sell property and out of proceeds of sale he may retain portion necessary to reimburse for his costs, retain portion necessary to satisfy order for compensation made in his favour by the Commission or a Court, and he shall pay balance to Commission who shall hold the

balance for one (1) year for the benefit of the tenant; landlord to give Commission written report of sale and distribution of proceeds; after one (1) year period has expired, amount not claimed forfeited to the Crown.

PART VII - MOBILE HOMES

S's. 64 to 66 - provide that landlords shall not restrict right of tenant to sell, lease, or otherwise part with possessions of mobile home; landlord shall not receive any compensation for acting as agent of the tenant for selling or leasing unless under a written contract; landlord shall not make any charge for entry, exit, installation, removal or granting of a tenancy in a mobile home park, except a sum to compensate him for reasonable expenses; landlord shall not restrict right of tenant to purchase goods or services from a person of his choice; landlord may set reasonable standards for mobile home equipment.

S. 67 - OBLIGATION OF LANDLORD - Responsible for removal of garbage in mobile home park at least once per week, grading, maintaining and plowing roads, maintaining plumbing, sewage, fuel, and electrical systems in the mobile home park, maintaining mobile home park grounds and all equipment, etc. intended for common use of tenant in good state of repair and cleanliness and repair damage to tenant's property caused by negligence of the landlord. It sets out remedies to tenant upon breach of landlord, by way of application to Residential Tenancy Commission.

S. 68 - Tenant's obligation to maintain exterior portion of mobile home in good state of repair and cleanliness.

S. 69 - Provision where landlord wants property for own use or demolition, he would make every reasonable effort to find alternative site, and if Commission terminates tenancy by reason of interference by landlord with safety or enjoyment by tenant or conversion for own use or demolition, Commission may make Order requiring landlord to pay all or part of tenant's reasonable moving expenses.

PART VIII - RESIDENTIAL TENANCY COMMISSION - Pertains to composition of Commission, duties, and jurisdiction.

S. 74 - A Commissioner is a full-time job.

S. 81 - Duties of Commissioner - perform duties assigned to it by

or under the Act and administer Act and Regulations; periodically review Act and Regulations, and recommend amendments or revisions; advise and assist the public on all residential tenancy matters; take an active role in ensuring that landlords and tenants are aware of benefits and obligations under the Act; publish summary of significant decisions of the Commission and reasons therefor.

S. 82 - All policy guidelines and procedural manuals used in making decisions under the Act shall be made available for examination by the public.

S. 84 - Exclusive jurisdiction of Commission as to all matters arising under the Act; except making an order for payment of money in excess of three thousand dollars ($3,000), which must be made by a court of competent jurisdiction.

S. 85 - Commission may arbitrate a dispute concerning a residential tenancy not within the jurisdiction of the Commission with written consent of all parties to the dispute, and such decision shall be deemed an order of the Commission for purposes of enforcement, but the Arbitrations Act does not apply when the Commission acts as an arbitrator in such instances.

PART IX - PROCEDURE - GENERAL

S. 94 - Offices of the Commission operate at times convenient to the public including evenings, statutory holidays and weekends, where appropriate.

S's. 95 to 101 govern the making of applications to the Commission and giving of notices.

S's 102 to 110 establish procedure for Commission.

S's. 111 to 116 pertain to matters related to Commission Orders and the enforcement thereof.

S. 115 - Certified copy of Order of Commission for payment of money may be filed with Supreme, District, or County Court, and has same force and effect as if it were a judgment of that court.

S. 116 - Provision that an Order of Eviction may be filed with the County or District Court and on being filed, has the same force and effect as if it were an order of that court and the Clerk of the court shall issue a Writ of Possession; an employee of the Commission may be appointed as a Sherrif's Officer and may obtain assistance of police officers for purpose of enforcing Writs of Possession.

S's 117 to 119 - APPEALS FROM ORDERS OF COMMISSION -

S. 117 - Provision for composition of Appeal Panel being two appeal commissioners and one member of Board of Commissioners, none of whom took part in the making of the decision or order being appealed, and Appeal Panel may affirm decision or order of the Commissioner or make any decision or order that a Commissioner is authorized to make under the Act, and a decision or order of Appeal Panel shall be deemed to be a decision or order of the Commission.

S. 118 - Appeal to Divisional Court on a question of law by way of stated case. Divisional Court may affirm, rescind, amend or replace a decision or order; have the matter sent back to the Commission for amendment and deliver judgement after it has been amended or remit the matter to the Commission with the opinion of the Divisional Court.

Part XI - RENT REVIEW

NOTE: Regulation 900 Exempts rental units from this part of the act where the monthly rental is $750. or more.

S. 124 - Only one rent increase in any twelve (12) month period.

S. 125 - Maximum permitted increase without application - six (6) per cent.

S. 126 - Application by landlord for increase greater than six (6) per cent - may apply to Commission for order permitting him to do so, application shall state reasons for intended increase and made not less than sixty (60) days before effective date, landlord must file supporting material for application fourteen (14) days in advance of hearing.

S. 127 - Tenant may make application for order requiring landlord to reduce amount of rent increase (other than 6% increase) sixty (60) days before effective date of intended rent increase.

S. 131 - DETERMINATION OF TOTAL RENT INCREASE - Commission shall determine increase justified by operating costs, financial costs, and capital expenditure experienced or to be experienced in respect of premises; financial loss that landlord has experienced or will experience; improvement or deterioration in standard of maintenance and repair; such other matters as prescribed by regulations.

S. 131 (3) - Limitation on considering of financing costs only to extent necessary to prevent financial loss by landlord. If gross revenue does not exceed costs by at least two(2) per cent, Commission may, to relieve hardship, allow a landlord additional revenue to raise gross revenue to not more that two (2) per cent above cost.

S. 131 (4) - In apportioning total rent increase amongst rental units in a residential complex, Commission may take into account: proposed rent schedule in application; variations in rent being charged by landlord for similar rental units within the complex, or by other landlords for similar units in same geographical vicinity.

S. 132 - Where application by tenant, Commission shall consider only the following : Variations in rents being charged by landlord for similar rental units within same complex; rents being charged by other landlords for similar units in similar complexes in the same geographical vicinity; and an improvement or deterioration in standard of maintenance and repair affecting rental unit.

S. 133 - Until such time as maximum rent is set forth by order of the Commission, maximum rent payable, after notice has been given, is the lesser of either the intended rent increase in the notice or the six (6) per cent limit as per S. 125.

S. 134 - Amongst others, rental units not occupied before January 1, 1976, are exempt from this part.

NOTE: S. 131 above has been modified by Bill 198 - Residential Complexes Financing Costs Restraint Act - This bill modifies Section 131 above as follows:

S. 3 - Makes provision for limit on rent increase attributable to financing costs resulting from purchase of residential complex and financial loss carried forward from a preceeding year being phased in over a period of five (5) years, in that not more than five (5) per cent of the total of the last lawful rents may be allowed.

S. 4 - Modifies the relief of hardship to per cent rule as per S. 131 (3) of the Act to suspend same whenever a part of the rent increase is attributable to increase in financing costs resulting from a purchase of a residential complex.

S. 5 - Sets out how rent increase is to be apportioned (equally amongst units in complex on a percentage basis) and suspends operation of S. 131(4) when application made pursuant to S. 126 (increase greater than 6%).

SCHEDULE

STANDARD RESIDENTIAL

TENANCY AGREEMENT

INSTRUCTIONS FOR LANDLORD AND TENANT

IF YOU HAVE ANY QUESTIONS CONCERNING THIS TENANCY AGREEMENT OR YOUR RIGHTS AND OBLIGATIONS UNDER THE *RESIDENTIAL TENANCIES ACT*, YOU ARE INVITED TO ASK THE RESIDENTIAL TENANCY COMMISSION FOR ASSISTANCE. THE COMMISSION HAS BEEN ESTABLISHED TO ADVISE AND ASSIST THE PUBLIC ON ALL RESIDENTIAL TENANCY MATTERS. IN ADDITION, THE COMMISSION HAS POWER TO MEDIATE AND DECIDE DISPUTES BETWEEN LANDLORDS AND TENANTS.

This is the Standard Residential Tenancy Agreement, established under the *Residential Tenancies Act*. This agreement is applicable to all residential tenancies in Ontario.

The agreement must be signed by both the landlord and the tenant, or their agents.

Two copies of the agreement must be completed, one of which is to be given to the tenant.

No part of the tenancy agreement may be altered or deleted, but additional benefits and obligations may be added.

TENANCY AGREEMENT

This tenancy agreement is made between:

_____, the landlord

Name

_____

Address

_____

Telephone

and

_____

Name(s)

, the tenant.

Rental Unit

1. The landlord will rent to the tenant and the tenant will rent from the landlord the following rental unit:

_____

Apt. No. Street Name and Number (or other appropriate description)

City, Town, etc. Postal Code

2. COMPLETE EITHER (a) *OR* (b) AND CHECK ... WHICH IS APPLICABLE

Nature and Duration of Tenancy

(a) The tenancy is for a fixed term beginning on the day of . 19 and ending on the day of . 19 (The tenancy will then automatically renew as a monthly tenancy unless terminated under the *Residential Tenancies Act*)

(b) The tenancy is periodic (e.g. weekly, monthly, etc.) beginning on the day of . 19 and running from (week to week, month to month, etc., as the case may be)

3. (a) The rent for the rental unit is $ per (week, month, etc., as the case may be) payable in advance for the duration of the tenancy. The first payment is $ (pro-rated as necessary) and thereafter $ per , payable on the (week, month, etc., as the case may be) day of every (week, month, etc., as the case may be)

Rent

Rent payments are to be made to (Name and address where payment to be made)

(b) The rent mentioned above includes payment for all services and facilities (e.g. parking, utilities, appliances, etc.) promised by the landlord, including:

Provision of the following services and facilities is the responsibility of the tenant:

Rent Deposit

4. THIS PROVISION IS OPTIONAL. CHECK THE BOX ☐ IF THE PROVISION IS TO APPLY

(a) The tenant agrees to pay the landlord a rent deposit in the amount of $, which will be applied only in payment of rent for the period immediately preceding the termination of the tenancy.

(b) The landlord will pay annually to the tenant interest on the rent deposit at the rate of 9 per cent per year.

The interest will be paid on _____ of each year. (Insert date)

Residential Tenancies Act

5. The landlord and the tenant promise to comply with all obligations imposed on them by the *Residential Tenancies Act*.

Additional Obligations

6. The landlord and the tenant promise to comply with any additional obligations set out below.

(NOTE: *Additional benefits and obligations cannot conflict with the Residential Tenancies Act, and where an obligation concerns the tenant's use, occupancy or maintenance of the rental unit or residential complex or use of services and facilities provided by the landlord, the obligation cannot be enforced unless it is reasonable in all the circumstances.*)

Reasonable Rules

7. The tenant promises to comply with the rules concerning the tenant's use, occupancy or maintenance of the rental unit or residential complex or use of services and facilities provided by the landlord that are set out below and as may, from time to time, be established or modified by the landlord, provided that the rules are in writing, made known to the tenant and reasonable in all the circumstances.

_____

Signature of Landlord or authorized agent

Date Signature of Tenant(s)

With regard to paragraphs 6 and 7 of this tenancy agreement, the landlord and tenant are referred to section 6 of the *Residential Tenancies Act* which provides:

Additions to standard form

6.--(1) In addition to the benefits and obligations contained in the form of tenancy agreement set out in the Schedule, a landlord and tenant may provide in a written tenancy agreement for other benefits and obligations which do not conflict with this Act, but where an obligation concerns the tenant's use, occupancy or maintenance of the rental unit or residential complex or use of services and facilities provided by the landlord, the obligation cannot be enforced unless it is reasonable in all the circumstances.

House rules to be reasonable

(2) A landlord shall not establish or modify, nor can he enforce, rules concerning the tenant's use, occupancy or maintenance of the rental unit or residential complex or use of services and facilities provided by the landlord unless they are in writing, made known to the tenant and reasonable in all the circumstances.

Where rule reasonable

(3) Unless shown to be otherwise, for the purposes of this section, a rule or obligation is reasonable where it is,

(*a*) intended to,

(i) promote fair distribution of services and facilities to the occupants of the residential complex,

(ii) promote the safety or welfare of persons working or residing in the residential complex, or

(iii) protect the landlord's property from abuse;

(*b*) reasonably related to the purpose for which it is intended;

(*c*) applicable to all tenants in a fair manner; and

(*d*) sufficiently clear in its prohibition, direction or limitation of the tenant's conduct to inform him of what he must do or must not do in order to comply with it.

Determination of reasonableness

(4) A landlord or a tenant may apply to the Commission to determine whether a rule or obligation is reasonable in all the circumstances.

Where compliance order not to issue

(5) Where the Commission determines that the tenant has breached the obligation imposed by subsection 40 (1) (compliance with additional obligations), no order shall be made under clause 40 (4) (*a*) or (*b*) unless the Commission is of the opinion that the breach has resulted in damage beyond ordinary wear and tear to the rental unit or residential complex or unreasonable interference with,

(*a*) the safety; or

(*b*) the enjoyment for all usual purposes by the landlord or any tenant or members of their households,

of the residential complex or any rental unit.

NOTE.—*See section 136 for the day of the coming into force of this Schedule.*

ONTARIO

THE LANDLORD AND TENANT ACT, R.S.O., 1980, C.232, As amended

NOTE: Part IV commencing with S. 81 on page 241 applies to all residential tenancies, notwithstanding any other Act or any agreement or waiver to the contrary.

S. 83 - COPY OF TENANCY AGREEMENT - To be delivered to tenant within twenty-one (21) days and obligations of tenant thereunder cease until copy is delivered.

S. 84 - SECURITY DEPOSITS - Maximum amount is one (1) months rent to be applied towards payment of rent for last rental period. Interest thereon to be paid annually at a rate of six(6) per cent per year. To be repaid to tenant, together with interest accrued within fifteen (15) days after tenancy is terminated or renewed. If landlord wishes to retain any portion thereof, is required to notify tenant of reasons for retention and is not to retain it unless tenant consents in writing or landlord obtains a court order.

S. 86 - DISTRESS FOR RENT - Distress for rent abolished.

S. 91 - ASSIGNMENT AND SUBLETTING - Tenant has right but tenancy agreement may provide right is subject to consent of landlord, and landlord not to make any charge for giving consent except reasonable expenses incurred.

S's 93 & 94 - PRIVACY AND ALTERATION OF LOCKS- Similar to provisions in Nova Scotia Act.

S. 96 - LANDLORDS RESPONSIBILITY TO REPAIR - Responsible for providing and maintaining premises in good state of repair and fit for habitation, and for complying with health and safety standards, housing standards required by law, notwithstanding any state of non-repair existing to knowledge of tenant prior to tenancy agreement.

S. 96(2) - TENANTS RESPONSIBILITY - Ordinary cleanliness of premises and repair of damages caused by him. Obligations imposed under above sub-sections may be enforced by summary application to judge of county or district court.

S. 97 - RELIEF AGAINST ACCELERATION CLAUSES - If tenant in default of rent payment or observance of any obligation, he may, at any time before landlord has entered judgment, pay rent due or perform obligation and pay any expenses incurred by landlord and is then relieved from consequences of default.

TERMINATION OF TENANCY

S. 99 - NOTICE TO QUIT - Required to be in writing and if given by landlord, must specify reasons for termination and inform tenant he need not vacate, but that landlord may regain possession by application for writ of possession to county court and tenant entitled to dispute application.

S's 100 to 104 - NOTICE - For weekly tenancy, twenty-eight (28) days, to be effective last day of week of tenancy; for monthly tenancy, sixty (60) days to be effective last day of month of tenancy; for yearly tenancy, as above; and for fixed term, sixty (60) days effective upon expiration date specified in tenancy agreement.

S. 105 - WHERE LANDLORD PERSONALLY REQUIRES PREMISES - Where landlord requires premises at end of period of tenancy or end of term of fixed term tenancy for occupation by himself or certain family members, notice period is to be not less than sixty (60) days, notwithstanding S's 100 to 104 above.

S. 106 - RENEWAL OF TENANCY AGREEMENT FOR FIXED TERM - Unless new tenancy agreement entered into before expiration of fixed term, tenancy deemed to be renewed as a monthly tenancy upon same terms and conditions as in expired agreement.

S. 107 - TERMINATION FOR DEMOLITION, ETC.- Notwithstanding S's 100 to 105, if landlord requires premises for purposes of demolition, conversion, or extensive repairs or renovations, notice shall be one hundred and twenty (120) days. Upon receipt of notice, tenant may terminate agreement upon ten (10) days notice. Tenant, by indicating in writing to landlord prior to vacating that he wishes to have a right of first refusal to occupy premises when repairs or renovations are complete, shall have such right. Landlord, having given notice, may, not later than thirty (30) days after termination date specified therein, make application in accordance with S. 113 for writ of possession. Notice given by landlord under this section is void unless tenant delivers up possession or landlord brings application under S. 113 not later than thirty (30) days after specified termination date.

S. 108 - EARLY TERMINATION FOR NON-PAYMENT OF RENT - Notwithstanding S's 100 to 105, if tenant in arrears, landlord may serve notice to be effective twenty (20) days after date. If shall specify right of tenant to avoid termination by paying rent within fourteen (14) days. If tenant does so, notice of termination is void, but if tenant does not pay within fourteen (14) day period, landlord entitled to make application under S. 113 and tenant, any time before judgment entered, may pay into court all rent arrears and costs, thereby staying the proceedings.

S. 109 - EARLY TERMINATION BY LANDLORD FOR CAUSE- Cause includes tenant causing damages to premises; carrying on illegal act, trade business, occupation or calling; interference with reasonable enjoyment by landlord or other tenants; seriously impairing safety of other tenant in premises; or number of persons occupying premises results in contravention of health or safety standards. Landlord may serve twenty (20) day notice requiring tenant, within seven (7) days, to remedy any of above, and if tenant does so , notice of termination is void. If tenant fails to comply within seven (7) day period, landlord entitled to make application under S. 113. If tenant complies, and within six (6) months again contravenes, landlord may serve fourteen (14) day notice of termination and is entitled to make application under S. 113.

S. 110 - TERMINATION OF LANDLORD AT END OF TERM FOR CAUSE - If landlord gives notice under S's 100 to 105, he may within thirty (30) days of termination date, apply in accordance with S. 113 for writ of possession. Judge hearing such application shall not direct issuance of writ of possession unless satisfied that cause exists as per S. 108 or S. 109, or that landlord requires possession as per S. 105, or tenant has persistantly failed to pay rent when due.

S. 111 - POSTING OF NOTICE - Landlord of mobile home park or building containing more than one (1) rental unit with common area, shall post copy of part IV of this Act and name and address for service. Any proceeding taken by tenant may be commenced against landlord in name so posted.

S. 112 - COMPENSATION WHERE PREMISES NOT VACATED - Landlord entitled to compensation for use and occupation after termination and acceptance of rent does not serve as a waiver or reinstatement or creation of new tenancy unless parties agree.

S. 113 - APPLICATION FOR POSSESSION, ARREARS OF RENT ETC. - Parties may apply to judge of county or district court for order, declaring tenancy to be terminated; writ of possession; payment of rental arrears; payment of compensation under S. 112; return of security deposit plus interest; or for abatement of rent. Respondant may dispute applicants claim but if for rent arrears or compensation, tenant must pay into court amount claimed. After hearing, judge may make order.

S. 114 - WRIT OF POSSESSION WHERE TENANT HAS GIVEN NOTICE - Where tenant has given notice of termination or if agreement to terminate in writing; landlord, within thirty (30) days after termination date files copy of notice or agreement with clerk of court who issues order for writ of possession. Tenant may, within four (4) days, apply to judge to have order set aside. If judge grants order, he holds a hearing to determine landlords claim and provisions of S. 113 apply. Notice given by tenant to landlord is void unless tenant delivers up possession or landlord brings application under this section within thirty (30) days of termination date.

S. 116 - APPEAL - Appeal lies to divisional court from order or judgment under this Part.

S. 121 - RECOVERY OF POSSESSION - Unless tenant has vacated or abandoned premises, landlord not to regain possession unless under authority of writ of possession pursuant to S's 113 or 114. Upon application for writ of possession, judge is empowered to refuse to grant application unless it would be unfair to do so, or order enforcement of writ of possession be postponed for one (1) week period. Judge shall refuse to grant application if satisfied landlord in breach ot responsibilities in accordance with this Act or tenancy agreement; application is retaliatory in nature; or reason for application than premises occupied by children , provided such occupation does not constitute overcrowding.

LANDLORD AND TENANT ADVISORY BUREAU

S. 124 - Municipality may by by-law establish such a bureau. Functions are to advise landlords and tenants; mediate disputes; disseminate information, and investigate complaints contravening tenancies legislation.

MOBLIE HOME PARKS

S. 125 - Tenant has right to sell, lease or otherwise part with possession of his mobile home situated in mobile home park. Tenancy agreement may provide that right is subject to consent of landlord and landlord not to charge for giving consent except for reasonable expenses incurred. Landlord not to act as agent to sell, lease, etc. mobile home situated in his park unless pursuant to contract.

S. 126 - ADDITIONAL FEES - Landlord not to charge for entry, exit, installation, or removal of a mobile home, or granting of tenancy in a mobile home park except for reasonable expenses incurred.

S. 128 - RESPONSIBILITY OF LANDLORD - Provide means for removal or disposal of gargabe within park; maintain roads in good state of repair; snow removal; maintaining plumbing, sewage, fuel and electrical systems; maintaining mobile home park grounds in good state of repair and repair of damage to tenants property caused by him.

S. 128(2) - RESPONSIBILITY OF TENANT - Ordinary cleanliness of premises and repair of damages to landlords property caused by him. Obligations imposed under this section maybe enforced by judge of county or district court who may terminate tenancy or authorize any repair to be made and costs thereof to be paid by person responsible.

NOTICE OF RENT INCREASE

S. 129 - NOTICE - Landlord not to increase rent unless notice served on tenant ninety (90) days prior to end of period of tenancy or term of fixed period of tenancy. If tenant receives this and fails to give landlord notice of termination, deemed to have accepted amount of increase or such other increase as may be agreed upon in writing, or where amount of increase is subject to rent review, such amount not exceeding that permitted. Subject to the Residential Tenancies Act, any increase where a landlord has not served notice as required herein is void.

MANITOBA

THE RESIDENTIAL RENT REGULATION ACT

Stats. Man., 1982, C. 16 (Cap R 84)

Section 2 - Act applies to all residential premises except where exempted by Act or Regulations; some exemptions being:

Section 2(2) - for a period of five (5) years after issuance of first occupancy permit on new premises.

Section 33(3) - buildings that had been substantially repaired, renovated or refurbished for a period not exceeding five (5) years.

Reg. 155/82, s. 3(2)(b) - units in a co-operative housing project owned by an unincorporated co-operative association.

Reg. 155/82, s. 3(3) - units renting for $700. or more per month.

Section 16(1) - FREQUENCY OF RENT INCREASE - no sooner that twelve (12) months after previous increase, but, see exception below:

Section's 16 (2) to 16(4) - INCREASE UPON VOLUTARILY VACATING PREMISES OR VACATED PREMISES - where tenant has either voluntarily given notice to quit or dies and not survived by spouse or dependant who occupies premises, landlord may apply for increase in excess of guideline set by regulations.

REG. 155/82 s. 11(1) - MAXIMUM WITHOUT APPLICATION - nine (9) per cent.

Section 17 - NOTICE OF RENTAL INCREASE - three (3) months required and must contain statement that tenant has right to object within one (1) month, (whether more, equal to, or less than guideline percentage); dollar amount of increase; percentage amount of increase; and maximum permitted by regulations. Landlord sends copy of notice to Director fourteen (14) days after sending it to tenant.

Section 17(4) - NOTICE TO NEW TENANT - Landlord must give new tenant notice stating date rent came into effect and previous rent. Must send copy of notice to Director.

Section 19 (1) - Where rental increase took effect after January 1, 1982, but before this Act came into force, (June 30, 1982), and increase in excess of guideline, landlord required to apply for increase, and if determination made that increase is greater than that permitted by Act and Regulations,landlord may be ordered to refund excess rent.

Section 20 (1) - TENANTS OBJECTION TO RENT INCREASE - see S. 17 above- tenant may serve notice of objection to increase within one (1) month of receiving notice and objection treated in same manner as application of landlord for increase in excess of guideline.

Section 21 (2) - CONSIDERATION BY RENT REGULATION OFFICER - officer shall consider the following : previous rent, landlords actual expense increase as per regulations, any changes in services, and other matters required to be considered by regulations, and may consider rent for two (2) previous years, increases during those two (2) years, increases in actual expenses and any other information relevant to application or objection, or such other matters as he deems necessary.

Section 21 (3) - when considering application or objection in building containing other residential premises, officer may, with approval of Director, join all or any of the premises in the same building, and where he does, shall add all tenants as parties to application or objection and may, in his absolute discretion, make recommendations which apply uniformly or severally to rents for all or any of those premises.

Section 22 (1) - where application or objection made, officer shall recommend, in writing, increase and which may be less than guideline increase. Sends copy of recommendation to parties, (S. 24(2)).

Section 22 (2) - recommendation made applying to two or more residential premises in same building or complex may include recommendation that rents be adjusted by an equal percentage, or an equal dollar amount, or amounts equalizing rents payable for similar premises, but adjustments recommended and total of increases not to exceed amounts set by regulations.

Section 23 (2) CONSOLIDATIONS OF APPLICATIONS AND OBJECTIONS - Two or more applications or objections relating to same premises for building or complex of buildings may be consolidated and treated as a single matter.

Section 23 (3) - frivolous applications or objections may be refused or dismissed by officer with approval of Director.

Section 24 (1) - officer not required to hold hearing but shall send notice to parties stating that application or

objection has been made, that parties may inspect material in respect of application or objection and parties may submit written presentation in respect of the matter within a ten (10) day period.

Section 25 - parties may appeal recommendation of officer within fourteen (14) days, and if they do not,recommendation becomes a decision that is final, binding and enforceable and not subject to review.

Section 27 (1) - RENT APPEAL PANEL - conducts hearings as a hearing de novo and considers same matters considered by officer in Section 21 (2).

Section 27 (2) - panel may join all premises in same building and if it does, shall add all other tenants as parties and may make order as per Section 22(2).

Section 27 (3) - DECISION OF PANEL - shall, by order, confirm recommendation of officer or substitute its own order and sends copies of order to parties. Order of panel is final, binding, and enforceable, and not subject to review. (S. 10(6))

Section 28 (1) - where application, objection , or appeal not finally determined before effective date of increase, Director may order tenant to pay landlord increase rent applied for, or where landlord collected rent in excess of that permitted by regulation, may order landlord to pay excess to Director.

Section 28 (2) - where Director receives payment pursuant to Section 28 (1), he shall hold monies until final determination and disburse funds in accordance therewith.

Section 28 (3) - if no order made under Section 28 (1) , and tenant has paid rent in excess of amount ultimately determined, landlord must refund excess.

Section 28 (4) where no order made under Section 28 (1) above, and final determination results in a deficiency, tenant shall pay landlord amount of deficiency.

Section 29 - PROHIBITION AGAINST EXCESS RENT - subject to Section 28 (1),landlord not to collect rent in excess of that permitted under regulation or determined under this Act. Where Director believes excess rent has been collected, may apply for order from Rent Appeal Panel.

Section 29 (4) - panel shall consider all evidence submitted by Director or by parties to application; matters required by regulations to be considered and any other matters they deem necessary and Section 27 (2) above would apply.

Section 29 (5) - panel satisfied that Section 29(1) above has been contravened, it may order roll back retroactive to date of contravention and to remain in effect until occasion when rent may lawfully be decreased, or , some other date not more than one (1) year after order date.

Section 29 (6) - where roll back order in Section 29, above, panel may order landlord to refund excess rent together with interest set in regulation, (see Regulation 155/82 S. 21 - 10%) panel may prescribe methods by which refund will be made and fix date for refund.

Section 30 (1) - reduction or discontinuance of services deemed to be rent increase.

Section 33 (1) - APPLICATION FOR REHABILITATION - sets out procedure where landlord proposes to repair, renovate, or refurbish premises and make provisions for an exemption under Section 2(2) of the Act.

Section 33 (9) - prohibits conversion to condominium of premises approved for repair, renovation, and refurbishing, as above.

Section 34 (1) - when new landlord acquires premises, previous landlord supplies statement setting forth rent charged during immediate past two years, and particulars of any monies due and unpaid pursuant to a decision or order under Section's 19(4), 29 or 30, or any other order or appeal therefrom.

Section 34 (2) - all duties and obligations as mentioned in Section 34 (1) above may become responsibility of the new landlord.

Section 35 (1) - PROHIBITION RELATING TO LANDLORDS - landlord shall not collect any premium, commission, deposit, etc.; receive unreasonable consideration for furniture in premises; avoid or defeat any provision of this Act; etc.

Section 35 (2) - PROHIBITION RELATING TO TENANTS - tenants shall not sublet the premises for rent greater that the lawful rent, charge any fee, etc. for assignment of tenancy.

SCHEDULE "A"

Form 7

STANDARD RESIDENTIAL TENANCY AGREEMENT

Being a form for all written residential Tenancy Agreements between Landlord and Tenant in Manitoba; pursuant to subsection (1) of section 118 of The Landlord and Tenant Act.

IN THIS TENANCY AGREEMENT made in duplicate the day of , 19

Landlord.

BETWEEN

(name, address and phone number) referred to as the Landlord

Tenant.

AND

referred to as the Tenant

IT IS AGREED THAT

The Landlord will rent to the Tenant and the Tenant will rent from the Landlord the premises known as

Premises.

referred to as the rented premises

Type of Tenancy.

THE TENANCY IS TO COMMENCE , 19 , and to expire on , 19 .

(Leave expiry date blank if the Agreement is for a periodic tenancy and no set term is intended.)

Rent.

THE TENANT WILL PAY RENT to the Landlord at the rate of $ per in advance, for the duration of the tenancy. The rent due in the first instance being $ (pro-rated as necessary) and thereafter $ payable on the day of each

(state due day/date for rent payment)

IT IS FURTHER AGREED THAT

Other Occupants.

1 In addition to the tenant(s) only the following other persons may occupy the rented premises

1	4
2	5
3	6

together with any natural increase in the tenant's family but in any event not exceeding a total of persons.

Security Deposit

2 The Landlord hereby acknowledges the receipt from the Tenant, on the signing of this Agreement, of a Security Deposit of $, being an amount not in excess of one half on one month's rent, which sum the Landlord will hold in trust, for the Tenant, as a security against the breach of those parts of this Agreement pertaining to arrears of rent and the Tenant's responsibility for cleanliness and damage. The Landlord will return this deposit to the Tenant within 14 days of the termination of the tenancy, with interest as may be prescribed from time to time by Regulation, compounded annually. If, for valid reason, the Landlord disputes the return of the Security Deposit, the Landlord shall forthwith comply with the provisions of Section 87(1.2) of The Landlord and Tenant Act. Under no circumstances will the Security Deposit be applied as part of the rent by the Tenant without the prior written consent of the Landlord.

Services.

3 The Tenant will pay, on demand, to the appropriate authority, the costs of the following services e.g. certain public utilities: — as supplied at the commencement of this tenancy in respect of the rented premises.

all others not listed being the Landlord's responsibility.

Amenities.

4(1) The following privileges, amenities and facilities are the right of the Tenant and are granted to the Tenant for the duration of this Tenancy Agreement, the cost being included in the rent.

4(2) The following privileges, amenities and facilities are reserved to the Landlord or his designate and are not included within the scope of this Agreement.

Providing name and address to Tenant.

5(1) The Landlord shall provide to the tenant a copy of section 100 to 103 inclusive of The Landlord and Tenant Act together with the legal name of the Landlord and his address for service.

Conditions of Notice and Termination.

5(2) Unless otherwise agreed upon at the time a notice is given, this agreement may be terminated by

the Landlord giving notice in writing to the Tenant; or

the Tenant giving notice, either orally or in writing, to the Landlord.

(Insert above any special notice provisions or state Statutory requirements)

Condition of Rented Premises.

6 An inspection of the premises may be made by both parties, or their agents, or their representatives, and the condition of the premises recorded on the attached condition report and signed by both persons present at the inspection. This inspection may be made prior to the commencement of the Tenancy and can be referred to in deciding, as may be necessary, the disposition of the Security Deposit at the termination of the Tenancy and although this inspection in no way reduces the Landlord's responsibility to repair and maintain as in section 14 of this Agreement, no promises for alterations, redecorations or remodelling will be binding unless noted on the attached Condition Report at the time of the inspection by both parties present.

Observance of Statute and By-laws

7 Such requirements as are and may be enacted in law will be observed by all parties to this Agreement in respect of health, sanitation, fire, housing and safety standards.

Disputes and Arbitration

8 In the event of any dispute between the Landlord and Tenant, either party or both may refer the dispute to the Rentalsman for the area, who, it is understood, will endeavor by mediation to settle the dispute. If the Rentalsman is unsuccessful in mediating the dispute he is obliged to refer the matter to the Director of Arbitration.

Care by Tenant.

9 The Tenant is responsible for the ordinary cleanliness of the rented premises, the amenities and facilities provided under section 4 of this Agreement, and for the repairs of damage caused by his willful or negligent conduct or that of persons who are permitted on the premises by him.

Use.

10 The Tenant will use the rented premises for residential purposes only and will not carry on, or permit to be carried on, any trade or business without the written consent of the Landlord.

Behavior.

11 The Tenant, his family or his guests will take all reasonable precaution to avoid causing a nuisance or disturbance to other tenants in the same building.

Sublet.

12 The Tenant has the right to sublet, assign, or otherwise part with possession of the rented premises, subject to the consent of the Landlord. Consent will not be arbitrarily or unreasonably withheld on proper application, and provided the form of assignment and acceptance, which forms part of this Agreement, is completed.

Note: See footnote (1).

Rules and Regulations.

13 The Tenant will observe, and comply with, the Landlord's Reasonable Rules and Regulations which may be attached to, and form part of, this Agreement with such reasonable variations and modifications as may be added from time to time by way of notice from the Landlord to the Tenant.

Care by Landlord.

14 The Landlord is responsible for providing and maintaining the rented premises, the amenities and facilities provided under section 4 of this Agreement in a good state of repair and fit for habitation during the tenancy, notwithstanding that any state of disrepair existed to the knowledge of the Tenant before this Tenancy Agreement was entered into.

Tenant's Copy of Agreement.

15 A fully executed duplicate copy of this Agreement will be delivered to the Tenant by the Landlord within twenty-one days after execution or within twenty-one days of the Tenant's delivery of the Agreement to the Landlord for execution; and where a copy of the Agreement is not delivered within the time specified, the Tenant's obligations under this Agreement will thereby cease.

Privacy

16(1) The Landlord has a right of access

(a) to show the premises to prospective tenants at reasonable hours after notice to terminate the tenancy has been given;

(b) in the case of an emergency; and

(c) after giving written notice to the Tenant of at least twenty-four hours before the time of entry, which time will be specified on the notice and shall be during daylight hours.

16(2) Nothing in this section is to be construed by either party as prohibiting entry with the consent of the Tenant given at the time of entry.

Peaceful Use and Occupation.

17 The Landlord, in the execution of this Agreement, is exercising a lawful power, and in so executing, grants to the Tenant the right of the full use and occupation of the rented premises with a security of tenure, according to the terms of this Agreement.

Range of Agreement.

18 Wherever throughout this Agreement there is any mention of, or reference to, the Landlord or the Tenant, that mention or reference shall be deemed to extend to and include the heirs, executors, administrators, successors and assigns of the Landlord . . and the Tenant and sub-tenants of the Tenant as the case may be; and if the Landlord or Tenant shall be male, female, or a corporation, or if there be more than one Landlord or Tenant, the provision herein shall be read with all grammatical changes necessary. Further, the Landlord will advise the Tenant of any change of ownership within seven days of that change.

Signed, Sealed and Delivered.

WITNESS LANDLORD

WITNESS TENANT(S)

This Agreement is to be interpreted and executed with direct reference to The Landlord and Tenant Act and in conjunction with any Landlord's Rules and Regulations that may be attached hereto.

Any item or condition added to this Tenancy Agreement that contravenes any of the provisions of The Landlord and Tenant Act is void and has no effect.

Note: (1) Section 12 of this Tenancy Agreement may be omitted or amended where the premises are administered by or for the Government of Canada or Manitoba or a Municipality, or any agency thereof, developed and financed under The National Housing Act, 1954 (Canada).

Note: (2) Section 2 of this Agreement may be omitted; and if so omitted, section 2 should be lined diagonally across and be initialled by both parties to this Agreement.

ASSIGNMENT AND ACCEPTANCE

I (We) hereby assign all my (our) right, title and interest in and to the within Tenancy Agreement and the remainder of the term unexpired thereunder to _____ heirs and assigns, and do also hereby guarantee, and remain liable for the prompt payment of the rent and the performance of the agreements on the part of the Tenant as therein mentioned, in the event of default by the assignee. The assignor does further grant to the assignee the right of exclusive possession and peaceful use and occupation of the premises herein described as sub-tenant for the unexpired portion of the term.

WITNESS..... .....

WITNESS..... .....

IN CONSIDERATION of the above assignment and the consent thereto of the Landlord, I (we)..... hereby assume and agree to make all payments and perform all agreements and conditions of the within Tenancy Agreement by the Tenant therein named to be made and performed from the..... day of ..... 19... and I (we) agree that all rights and remedies of the Landlord against the Tenant under said Tenancy Agreement be available against me (us) to all intents and purposes as if I (we) had been named Tenant therein and as such had executed same.

WITNESS this ..... day of ..... 19....

WITNESS..... .....

WITNESS..... .....

CONSENT TO ASSIGNMENT

We hereby consent to the foregoing assignment of the Tenancy Agreement with the condition that no further assignment of the said tenancy agreement or subletting of the premises or any part thereof, shall be made without our prior consent.

Witness our hand and seal this ..... day of ..... 19....

WITNESS..... .....
Landlord

MANITOBA

THE LANDLORD AND TENANT ACT, Stats. Man., 1977, Cap. L-70, As Amended

NOTE: Part IV Applies to residential premises and tenancy agreements, notwithstanding any agreement or waiver to the contrary and commences with Section 82 on page 33.

Section 83 - COPY OF TENANCY AGREEMENT - landlord to give a copy to tenant within twenty-one (21) days after execution and failure to do so results in obligations of tenant thereunder to cease until copy is delivered to him.

Section 84 (1) - SECURITY DEPOSIT - one half month's rent

Section 84 (2) - ordinary wear and tear does not constitute damage to premises.

Section 84 (3) - Post-dated cheques prohibited for rental payment.

Section 85 (3) - FUNCTIONS OF OFFICE OF RENTALSMAN - advise landlords and tenants; mediate disputes; disseminate information; and investigate complaints of conduct in contravention of legislation.

Section 85 (3.2) - may levy fee on landlord where monies received in accordance with Section 98 and 119 (failure to supply services, failure to make repairs).

Section 85 (3.3) - empowers rentalsman, where he has funds in his possession for the landlord, to deduct above fees and remit balance to landlord.

Section 86(1) - RETURN OF SECURITY DEPOSIT - within fourteen (14) days together with interest (nine (9) per cent since November, 1980)

Section 86(2) - RENTALSMAN MAY ORDER RETURN OF SECURITY DEPOSIT - If security deposit not returned and no agreement between landlord and tenant as per Section 87(1), and landlord has not objected to returning it in accordance with Section 87 (1.2), rentalsman may order deposit plus interest to be paid to him.

Section 86 (2.1) - failure of landlord to comply with above order enables rentalsman to order other tenants in same building to pay their rent to him until sufficient funds received to satisfy order.

Section 86 (2.2) - states that such payment is deemed to be payment of rent.

Section 87 (1.2) - OBJECTION BY LANDLORD TO RETURN OF DEPOSIT - If landlord objects to returning deposit because tenant caused damaged or is in arrears of rent, landlord to notify rentalsman and tenant of his objections and forwards non-refunded portion plus interest to rentalsman.

Section 87 (1.3) - where rentalsman received security deposit as per Section 87(1.2) above, he notifies tenant and furnishes him with statement of landlord's allegations. Tenant may, within thirty (30) days, notify rentalsman of any objections re: allegations of landlord.

Section 87 (1.4) - if the tenant does not notify the rentalsman as per Section 87 (1.3), rentalsman may make such disposition of security deposit as he considers just and reasonable.

Section 87 (2) - where tenant files objection in accordance with Section 87 (1.3), rentalsman to endeavour to obtain agreement as to disposition of security deposit.

Section 87 (3) - landlord and tenant may, in writing, agree to have rentalsman act as arbitrator and if they do, finding of rentalsman is final and binding and not subject to appeal or review.

Section 87 (5) - where rentalsman mediates or arbitrates and is unable to complete, he notifies parties and if within ten (10) days landlord does not commence an action for security deposit plus interest, rentalsman to return security deposit plus interest to tenant.

Section 88 - distress for rent abolished.

Section 93 - ASSIGNING AND SUBLETTING OF PREMISES - right to assign or sublet subject to consent of landlord, landlord entitled to reasonable expenses incurred thereby to maximum of $20.

Section 94 (2) - STORAGE OF PERSONAL PROPERTY - If tenant abandons or vacates premises, landlord may remove personal effects, place them in storage, and give rentalsman inventory.

Section 94 (2.1) - if effects are worthless, worth less than cost of removal and storage, unsanitary or unsafe, rentalsman may give landlord permission to dispose of them.

Section 94 (3) - the two months having expired and no one claiming effects, landlord entitled to sell, provides accounting to rentalsman, and pays him any surplus. If tenant fails to claim surplus within in one (1) year, it goes to Minister of Finance.

Sections 95 - 99 - somewhat like STATUTORY CONDITIONS in Nova Scotia

Section 98 (1) - LANDLORDS RESPONSIBILITY TO REPAIR - responsible for maintaining premises in good state of repair and fit for habitation, complying with health and safety standards, notwithstanding that state of non-repair existed with knowledge of tenant prior to entering the tenancy agreement.

Section 98 (2) - RESPONSIBILITY OF TENANT - responsible for ordinary cleanliness, repair damages to premises caused by him, and to avoid causing a nuisance or distrubance.

Section 98 (3) - FAILURE TO FULFIL OBLIGATION - if landlord or tenant fail to fulfil any obligations, non-offending party has sufficient reason to terminate tenancy upon one (1) rental period notice; but if tenant fails in his obligation under S. 98 (2)(b) or 98 (2)(c) (damage, nuisance or distrubance), notice to take effect after five (5) days of service.

Section 98 (7) - FAILURE TO SUPPLY SERVICES - if landlord responsible for provision of heat, water, and electricity and fails to provide such services, tenant shall, upon being instructed to do so by rentalsman, pay rent to rentalsman, and by Sections 98 (8) and 98 (9), rentalsman may hold and continue to receive rents until the landlord provides services and where necessary, pay for provision of services and refund excess rent to landlord.

Section 99 - RELIEF AGAINST ACCELERATION CLAUSES - if tenant defaults in rent or any other obligation, thereby activating acceleration clause, he may pay rent due to time of default, or perform obligation and pay for expenses incurred by landlord in bringing action (before judgment obtained), tenant then relieved from consequences of the default.

Section 101 (2) - WRITTEN NOTICE TO TERMINATE SHALL STATE REASON FOR TERMINATION OF TENANCY

Section 101 (7) - TERMINATION OF MOBLIE HOME SITE TENANCY - where landlord intends to use site for purposes other than mobile home site, required to give six (6) months notice.

Section 101 (8) - where tenant of mobile home receives notice in accordance with Section 101(7), he may terminate tenancy upon one (1) months notice.

Section 101 (10) - Section 101 (7) does not apply if tenant is in arrears of rent or in default of obligations under Section 98 (2).

Section 103 (3) - where tenancy agreement has no predetermined expiry date or is not in writing, one rental payment period notice required.

Section 103 (4) - SECURITY OF TENURE - notwithstanding landlord gave tenant notice in accordance with Section 103(3); or written agreement stipulates an expiry date; tenant has right, subject to Sections 103 (6) and 103 (7) to continue in occupancy after agreement is terminated by notice or otherwise expires, except where landlord : requires premises for purposes of demolishing, repairing, or renovating; for his own use; or tenant in default of any obligations under Act or tenancy agreement. Landlord to state reasons in written notice and notice must either be one (1) rental payment period if no predetermined expiry date, or three (3) months if predetermined expiry date.

Section 103 (6) - TENANCY DEEMED TO BE RENEWED - where no predetermined expiry date and tenant exercises right to continue in occupancy as per Section 103 (4), tenancy agreement deemed to have been renewed except as to provision for rent payable.

Section 103 (7) - LIMITATION ON TERM OF TENANCY AGREEMENT - tenant in possession of premises under an agreement having a predetermined expiry date, landlord shall, prior to three (3) months from expiry date of existing agreement, provide the tenant with new tenancy agreement for a period of twelve (12) months and landlord shall advise tenant of his right to continue in occupancy.

Section 103 (8) - EXECUTION OF TENANCY AGREEMENT - two (2) months prior to expiration date, tenant either to execute or refuse to execute agreement submitted to him under Section 103(7). Failure to execute deemed to be notice to terminate on expiry date of existing tenancy and right to continue in occupancy after expiration date is extinguished. If landlord fails to submit new agreement and tenant continues in occupancy after expiry date, existing agreement deemed renewed for a further six (6) month period.

Section 103 (8.1) - where tenant executes tenancy agreement in accordance with Section 103 (8), agreement deemed to provide for rent increase in accordance with the Residential Rent Regulation Act.

Section 103 (9) - RENTALSMAN MAY MEDIATE DISPUTES - May mediate disputes between landlord and tenant with respect to continued occupancy of premises; arrears or non-payment of rent; compensation claimed by landlord for use or occupancy by tenant after expiration or termination of tenancy agreement; or damages caused to premises by tenant. Agreement reached is binding upon all parties.

Section 103 (13) - INABILITY TO PAY RENT - If tenant unable to pay rent because of deterioration of health of spouse who pays rent, health of tenant who pays rent, one sponse dies and surviving spouse has insufficient income to pay rent, or tenant dies during term of tenancy agreement; tenant, his heirs, assigns, or legal representatives may terminate tenancy agreement by giving one (1) months notice.

Section 104 (1) - FAILURE TO PAY RENT CONSTITUTES TERMINATION OF TENANCY - Where tenant fails to pay rent within three (3) days from due date, and refuses to pay on demand made in writing, refusal constitutes, at option of landlord, termination of tenancy effective on date when rent due.

Section 108 (1) - APPLICATION FOR ORDER OF POSSESSION - Landlord may apply to judge of County Court for order for possession where tenant does not go out of possession of premises after tenancy has expired or terminated.

Section 109 (1) - CLAIM FOR ARREARS AND COMPENSATION - Application by landlord in accordance with Section 108(1) above may also include claim for arrears of rent for compensation for use and occupancy of premises by tenant after expiration or termination of tenancy and for damages caused to the premises by the tenant.

Section 110 (1) - HEARING OF APPLICATION - Upon hearing application, County Court judge may give order for possession; give judgment for claim for arrears of rent; give judgment for claim for compensation for use and occupation of premises after expiration or termination of tenancy, or for any damages or changes landlord may be liable to pay a prospective tenant to whom he has obligated himself to let the premises, and give judgment for claim for damages caused to premises by tenant. Judge may make order for costs.

Section 110(3) - Provincial judge may deal with application under Sections 108 & 109 and make order in same manner as County Court judge under Section 110(1).

Section 110(4) - Before hearing application, judge may require rentalsman to provide him with report of any investigation conducted by rentalsman or someone on rentalsman's behalf.

Section 110(5) - If rentalsman has not conducted investigation, judge may request rentalsman to do so and submit report to him.

Section 110(6) - Upon receipt of report, and if report recommends order for possession or compensation be granted or denied, judge may grant or refuse order as he deems just without holding any further hearing.

Section 111(1) - EFFECT OF ORDER FOR POSSESSION - Order for possession in accordance with Section 110 shall direct tenant to deliver up possession of the premises by a specified date or within a specified time and shall state if the order is not obeyed, an order for eviction shall be issued without further notice.

Section 111 (3) - ORDER FOR EVICTION - order for possession not obeyed, landlord entitled, upon filing of affidavit, to be issued with an order for eviction.

Section 111 (4) - PAYMENT AS A STAY OF ORDER - Where tenant, before execution of order for eviction pays rent in arrears, together with any compensation , damages, or costs awarded, proceedings shall be stayed and tenant may continue in possession of tenancy.

Section 111 (5) - WHERE PROCEEDINGS NOT STAYED - If judge finds that tenant was habitually late in paying rent, order of eviction shall issue, and right of tenant to continue in occupancy in accordance with Section 111 (4) shall terminate.

Section 113 (1) - RECOVERY OF POSSESSION - Landlord shall not regain possession of premises except under authority of order for eviction pursuant to Section 111 or pursuant to mediation by rentalsman under Section 103(9).

Section 113(2) - RETALIATION BY LANDLORD - If landlord seeks possession and court finds notice to quit was retaliatory, court shall refuse order for possession or eviction and declare notice to quit invalid.

Section 113 (4) - NO EVICTION DURING SCHOOL YEAR - Where tenant has child of compulsory school age living with him in premises, landlord shall not terminate tenancy or evict tenant at any time child is attending school. Does not apply where tenant is in arrears of rent or tenant has violated Section 98 (2).

Section 118(1) - STANDARD FORM OF TENANCY AGREEMENTS- Prescribed by regulations and every tenancy agreement in writing or otherwise deemed to be in that form.

Section 119 (1) - REQUEST BY TENANT FOR REPAIRS - Where tenant requests landlord to repair premises and landlord refuses, tenant may notify rentalsman.

Section 119 (2) - Rentalsman endeavours to resolve problem and if he fails, may order tenant to pay rent to him to be held in trust, until repairs made.

Section 119(5) - Upon receiving rent in accordance with Section 119 (2), rentalsman estimates cost of repairs and retains either one (1) months rent or twice estimated cost of repairs, whichever is greater, and when repairs completed to his satisfaction, forwards amount retained to landlord.

Section 119 (6) - If a landlord or tenant is dissatisfied with determination, either may, within thirty (30) days, appeal to judge of County Court.

Section 119 (7) - Where landlord requested to make reasonable repairs and time for appeal under Section 119(6) has expired or appeal by landlord is unsuccessful and landlord fails to make repairs, rentalsman shall cause repairs to be made and pay costs thereof from monies retained in accordance with Section 119(5).

Section 121.1 (1) - Rentalsman, Director of Arbitration or an arbitrator has power and protection of commissioner under the Manitoba Evidence Act.

SASKATCHEWAN

RESIDENTIAL TENANCIES ACT, R.S.S., 1978, Chapter R-22, as amended

Section 7 - Provides for Office of Rentalsman.

Section 8 - Provides for Rent Appeal Commission.

Section's 10 to12 - Landlord to furnish tenant with a copy of tenancy agreement within twenty (20) days or lease within sixty (60) days and tenant's obligations suspended if landlord does not furnish copy.

Section 13 - Distress for rent abolished.

Section 18 - Prohibits landlord from requesting tenant to sign statement that premises are in satisfactory state of repair or condition, and a statement or covenant is a lease to this effect is void.

Section 19 - MOBILE HOMES - Landlord not to limit occupancy of premises to mobile homes sold or leased by any person and shall not restrict or interfere with tenants attempt to sell home, and shall not charge any fee for a sale unless he has provided some service with respect to sale.

Section 20 - STATUTORY CONDITIONS - Deemed to be part of every tenancy agreement and require to be printed in every written tenancy agreement.

(1) Tenant shall have quiet enjoyment.

(2) Landlord to keep premises in good, safe and healthy state and in tenantable state of repair, including services such as heating, hot and cold water, and power and if any such service is not restored within forty-eight (48) hours after discontinuance, rent payable in respect of premises is abated or reduced by 1/10th of the monthly rent for each day on which a service is discontinued.

(6) Tenant responsible for ordinary cleanliness of interior of premises and repair of damage caused by his negligence and responsible for cleanliness of exterior of premises, including grounds, where agreement grants him exclusive use of property on which premises are situate.

(7) Tenant shall not carry on offensive or illegal act, trade business, occupation or calling, or make or permit a nuisance or disturbance to other persons in same building. If tenant contravenes these provisions. landlord may, on his own, or acting upon complaint by another resident of the building, request tenant to discontinue or not repeat contravention and it tenant fails to do so after request, landlord may apply to Rentalsman for order for possession of premises.

(8) Tenant has right to assign, subject to consent of landlord, which shall not be arbitrarily or unreasonably withheld, and landlord may charge a sum not exceeding ten (10) dollars by way of reimbursement for expenses incurred in giving consent.

(14) Landlord not to discontinue or lessen any services provided without order of Rentalsman.

(15) If tenant dies during term, survived by spouse, tenancy remains in effect, unless spouse, within thirty (30) days after death of tenant, notifies landlord that spouse will surrender premises forthwith or within thirty (30) days after service of notice.

(16) Acceleration of rent clause prohibited.

(18) NOTICE OF RENT INCREASE - unless tenancy agreement otherwise provides, landlord not to increase rent without notice to tenant; WEEKLY TENANCY - three (3) weeks; for monthly, yearly or year to year tenancy, three (3) months. After receipt of notice, if tenant agrees to increase, agreement deemed to be amended accordingly and this provision to be printed on notice.

Section 21 - POST-DATED CHEQUES - payment of rent by this method prohibited except where tenant agrees in writing.

Sections 22 - 26 - TERMINATION OF TENANCY - unless otherwise agreed to, Notice to Quit given by either the landlord or tenant as follows: weekly tenancy - one (1) week; monthly tenancy - one (1) month; yearly or year to year tenancy - sixty (60) days.

Section 27 - EARLIER TERMINATION - Landlord may terminate immediately, serving notive, if tenant, after receiving seven (7) days notice respecting contravention of statutory condition 6, again contravenes that condition; tenant contravenes statutory condition 7; tenant in arrears of rent for fifteen (15) days or more. If tenant fails to vacate premises in accordance with notice served pursuant to this section, landlord may apply to Rentalsman for order of possession.

Section 29 - landlord to take possession of premises only by order pursuant to sections 47 or 50, unless tenant vacated or abandomed premises.

Section 30 - SECURITY DEPOSITS - week to week tenancy - one (1) week; all other cases one half of one months rent but not to exceed $125.

Section 31 - Security Deposits held in trust by landlord for tenant.

Section 32 - Landlord to invest security deposits in security authorized by the Trustee Act or deposit in a trust account.

Section 33 - Landlord to pay tenant interest on deposit at rate perscribed in regulations, (10% since June, 1981), and when accumulates to $10, pay it to tenant with balance upon termination.

Section 35 - RETURN OF SECURITY DEPOSIT - to be returned to tenant together with interest within ten (10) days after termination of tenancy. Where landlord intends to retain whole or any portion of security deposit, he is to advise the Provincial Mediation Board, (rather than the Rentalsman), and within ten (10) days after termination, serve on tenant and Board written notice of claim. If tenant, within ten (10) days after receipt of notice agrees in writing to the claim, landlord may, after providing Board with copy of tenant agreement, and after returning any balance of interest to the tenant, retain amount of his claim. If tenant does not within ten (10) days consent in writing to the retention, landlord shall, within fifteen (15) days after service of notice of claim, pay security deposit and unpaid interest to the Board and apply to Board for an Order determining disposition of deposit. If landlord fails to apply to Board, his claim is barred and Board pays tenant security deposit plus interest received from landlord.

Section 36 - NEW LANDLORD SUBSITUTED FOR ORIGINAL LANDLORD - refers to definition of landlord in interpretation, being Section 2 of Act, and LANDLORD INCLUDES A TRUSTEE IN BANKRUPTCY, liquidator, receiver, purchaser at a judicial sale of premises, MORTGAGEE OF PREMISES WHO ACQUIRES TITLE BY FORECLOSURE OR PURSUANT TO JUDICIAL SALE, or any person who becomes owner of property on which residential premises are situated so long as there are subsisting tenancy agreements at time person becomes owner.

Section 39(7) - RENT INCREASES - one increase per twelve (12) month period. For Regina and Saskatoon only, landlord must apply for any increase for premises under control. No guideline percentage as such. For all other locations, part two of Act applies with no set guideline percentage.

Section 42 - Where landlord makes a charge regarding a fixture, service or facility that was available at a lesser or no charge, or lessens or discontinues a fixture, service or facility, deemed to be a rent increase.

Section 47 - PROCEEDINGS AND ORDERS UPON APPLICATION TO RENTALSMAN - Application for order for possession or for other matters authorized by act, (except retention of security deposit), made to Rentalsman. Upon receipt Rentalsman -

(1) gives notice to all parties;
(2) directs an investigation;
(3) makes an order, including order to comply with Act or cease and desist from contravention of Act;
(4) require tenant to pay him rent otherwise payable landlord, and use it to remedy landlord's contravention.

If landlord applies for possession and Rentalsman suspects retaliation or contravention of statutory conditions, tenant may apply to Rentalsman for relief. If Rentalsman satisfied landlord entitled to possession, issues Writ of Possession. (Note: Application for retention of security deposit made to Provincial Mediation Board, not Rentalsman; Board deals with application in same manner as Rentalsman.)

Section 49 - APPEALS OF ORDER OF RENTALSMAN - Notice of Appeal from Rentalsman order - within fifteen (15) days to Rent Appeal Commission.

Section 50 - Commission may receive any relevant evidence and make Order.

Section 51 - Commission members have power of a Commissioner under Public Inquiries Act.

Section 52 - ENFORCEMENT OF ORDER OF RENTALSMAN OR COMMISSION - may be filed in court of competent jurisdiction and enforceable as judgment of court.

Section 53 - APPEAL OF ORDER OF COMMISSION TO COURT OF APPEAL - Within thirty (30)days, with leave, on question of law or jurisdiction.

Section 58 - Agreements that any provision of Act shall not apply are void.

Section 65 - ABANDONED GOODS AND CHATTELS - Rentalsman may authorize landlord to remove and sell them. Landlord deducts his costs, rental arrears, and damages; pays balance to Rentalsman. If tenant does not claim within six months, money goes to Consolidated Fund.

Section 67 - EXEMPTION FOR NEW RESIDENTIAL PREMISES- certain sections do not apply, including rental increase provisions, for premises constructed after October, 1975.

BRITISH COLUMBIA

THE RESIDENTIAL TENANCY ACT, R.S.B.C., 1979, Chap. 365, As Amended

PART 2

S. 7 - COVENANTS OF ALL TENANCY AGREEMENTS - Statutory duties as per Ss. 25 to 30 are deemed to be covenants in all tenancy agreements. Provisions for regulations to include or exclude certain conditions. A term in a tenancy agreement conflicting with the Act or regulations is void.

S. 8(1) - Distress for rent is prohibited.

S. 8(11) - For a property comprising more than two residential premises, no tenancy agreement to be entered into for a term exceeding three (3) years without approval of municipality or regional district or Minister of Municipal Affairs, as applicable.

S. 9 - ADDITIONAL COVENANTS - Breach of material covenant in tenancy agreement does not give tenant right to refuse to pay rent. Material breach by landlord gives tenant right to elect to treat tenancy agreement as terminated after notification to landlord that he has so elected.

S. 12 - DEEMED COVENANT - Where service or facility is reasonably related to tenants continued use and enjoyment and not expressly provided for in tenancy agreement, landlord not to discontinue providing service or facility, except upon order of Rentalsman.

PART 3

S. 13 - TERMINATION OF TENANCY AGREEMENT - (Security of Tenure) Tenancy agreement not terminated unless: Proper notice given as per S. 15; premises abandoned by tenant as per S. 40; court order given for possession of premises; tenant elects to treat agreement as terminated as per S. 9 above; landlord and tenant agree in writing; order made by Rentalsman. (Note: landlord does not regain possession of premises unless tenant has vacated or abanboned, or landlord has a Writ of Possession).

S. 13(4) "Notwithstanding any other enactment, no order of the Court in a proceeding involving a foreclosure, estate, matrimonial dispute, or other proceeding that affects the possession of residential premises, is enforceable against a tenant of the residential premises unless the tenant was made party to the proceeding."

PART II

Section 75 - Provides for establishment of a Residential Tenancies Rent Review Board.

Section 76 - Where no Residential Tenancies Rent Review Board has been established, Provincial Mediation Board deemed to be the Residential Tenancies Rent Review Board with the same powers and duties.

Section 78 - Tenant, having received notice of rental increase, may, within thirty (30) days, apply to Residential Tenancies Review Board.

Section 79 - Powers of RTRRB when considering application - view and inspect premises, require landlord to produce records and documents and conduct such inquiries as it deems necessary. Powers of Commissioners under Public Inquiries Act.

Section 80 - Powers of RTRRB respecting rent increases - after hearing, allows increase if fair and reasonable. May disallow proposed increase or order increase which it considers fair and reasonable. Board shall consider: amount of proposed increase, increase in cost to landlord, including anticipated increase for maintaining premises and any increases in the cost of providing services; cost of major repairs and improvements; cost of financing premises; amount of rent received by landlords of similar premises. If Board disallows proposed rent increase, may order landlord to repay tenant excess rent collected, and if landlord fails to do so, tenant entitled to deduct excess from next months rent.

Section 80.1 - Where Board, during any sixty (60) day period, receives applications from tenants occupying at least twenty-five (25) per cent of similar premises in a building, Board may inquire into increase respecting any other similar premises in the building as if those presmies had been the subject matter of an application.

Section 81 - Decision of the RTRRB may be appealed to the Rent Appeal Commission and a decision of the Rent Appeal Commission may be appealed to the Court of Appeal, and Sections 49 to 54 shall apply.

S. 21 - EARLY TERMINATION BY ORDER OF RENTALSMAN - Where conduct of tenant is such that he has unreasonably interferred with enjoyment or safety of occupants in premises; has caused damage to premises; or has failed to obey order of Rentalsman, Rentalsman may order termination of tenancy agreement.

S. 22 - AUTOMATIC RENEWAL OF TENANCY AGREEMENT - Where agreement terminates on predetermined expiry date, landlord and tenant deemed to have renewed agreement as monthly tenancy on same terms and conditions as provided for in expired agreement, subject to adjusted rental.

S. 23 - REVIEW OF TERMINATION BY RENTALSMAN - Where tenant is given notice of termination, (other than for rent arrears), he may within ten (10) days after receipt of notice serve notice of dispute on Rentalsman and landlord, and Rentalsman may order notice to be set aside under certain conditions.

PART 4

Ss. 25 to 30 - STATUTORY DUTIES - S. 25(1) covers landlord's duty to maintain premises in state of repair that complies with health and safety standards, standards required by law and make it reasonably suitable for occupation by a reasonable tenant. S. 25(2) duty under S. 25(1) applies even if tenant knew of breach at time of entering tenancy agreement. S. 25(4) requires tenant to maintain ordinary health, cleanliness and sanitary standards as well as to repair damage caused to premises by his neglect or omission. Rentalsman may order tenant to pay rent to him that would otherwise be paid to landlord if landlord contravenes duty to repair, etc., and Rentalsman may then make repairs out of such monies. S. 29 - tenant may assign or sublet with consent of landlord, where tenancy agreement has a predetermined expiry date and is for a term of six (6) months or more, and landlord not to receive any consideration for giving consent. S. 30 - landlord to give tenant a copy of tenancy agreement within twenty (20) days and if not given, tenants obligations, including payment of rent, cease until copy delivered.

PART 5

S. 31 - SECURITY DEPOSIT - Must be given at time agreement entered into and must not exceed one half of one months rent.

S. 14 - FORM OF NOTICE OF TERMINATION - In writing; specifying date of termination; if given by landlord, other than under S. 20, (Rent Arrears), specify right of tenant under S. 23 to dispute termination; reasons for termination; and tenant deemed to have accepted unless he serves notice of dispute pursuant to S. 23. Where notice given under S. 20, (Rent Arrears), must specify amount of unpaid rent; right of tenant within five (5) days to pay rent due or serve notice of dispute, and if tenant does not pay within five (5) days or serve notice of dispute, tenancy terminated on date specified, but if paid within five (5) days, notice is void.

S. 15 - TIME LIMITATION FOR NOTICE - Must be given on or before last day of rental period to be effective on last day of next rental period, with exceptions for S. 18, (Early Termination by Tenant), and S. 20, (Rent Arrears), but not to be less than twenty-seven (27) days.

S. 16 - NOTICE WHERE LANDLORD INTENDS TO OCCUPY PREMISES - Where landlord intends that he or certain family members will occupy premises, notice to be not less than fifty-eight (58) days, to be effective on last day of rental period, or if a predetermined expiry date exists, on that date.

S. 16(1) - NOTICE WHERE PREMISES TO BE SOLD - Where purchaser intends to occupy premises, he may request landlord to give tenant notice in accordance with S. 16.

S. 17 - NOTICE FOR DEMOLITION, CONVERSION, RENOVATION OR LONG TERM LEASE - Landlord shall give not less than one hundred nineteen (119) days notice, to be effective as per S. 15, or if there is a predetermined expiry date, on that date. Where a tenancy is terminated by landlord under this section, or by tenant as a result of notice under this section, and tenant gives notice under S. 18, (Early Termination), landlord required to pay tenant his moving expenses. (Maximum set by regulation - $500).

S. 18 - EARLY TERMINATION BY TENANT - Tenant, having received notice under Ss. 16, 16.1 or 17, may give landlord ten (10) days notice of an earlier termination and is required to pay rent up to date of earlier termination, but if rent has been prepaid, landlord to refund portion prepaid.

S. 20 - EARLY TERMINATION FOR RENT ARREARS - Where rent is in arrears landlord may give notice effective not earlier than eighth day after notice or fourteenth day after date on which rent became due, whichever is later, and where tenant is given such notice he may, within five (5) days, either pay all rent due, in which case notice is void, or serve notice of dispute as per S. 23.

(Appendix E). In all instances, increases void unless tenant given three (3) months notice, with copy to Rentalsman within seven (7) days and there has been no increase within twelve (12) months from last lawful increase, or twelve (12) months after existing rent first established.

CONTROLLED UNITS - Guideline amount - 10% as per Regulation 9 and S. 64(2) Premises with no bedroom or one bedroom renting for more than $300; two bedrooms for more than $350; three or more bedrooms for more than $400; as per Regulation 13(2).

UNITS SUBJECT TO REVIEW - Premises with no bedroom or one bedroom renting between $301 and $700; two bedrooms between $351 and $700; and three bedrooms or more between $401 and $700 per month as per Regulation 15.

EXEMPT UNITS - Properties consisting of two premises, one of which is occupied by the landlord; and premises renting for more than $700 per month, as per Regulation 16.

S. 65 - ELIGIBLE EXPENDITURES - For units under control, landlord who makes major improvements or repairs entitled to increase above 10% guideline up to 18% as per Regulation 14. Landlord may apportion amount of expenditure among units affected by expenditure and tenants, upon receiving notice, may within one (1) month, give landlord and rentalsman notice requiring landlord to apply to rentalsman for approval and increase is void unless landlord, after receiving notice, applies to rentalsman within one (1) month for approval.

S. 67 - ADDITIONAL RENT INCREASES - For units under control, where landlord applies, rentalsman may order increase greater than 10% if satisfied that increase justified.

S. 69 - EXCESSIVE RENT INCREASE - For units subject to review tenant may, within thirty (30) days of notice, apply to rentalsman for review and shall propose alternate rent increase and give reasons why he believes increase contained in notice is excessive. Rentalsman chooses either landlord's or tenant's proposed rent and not one in between. Decision based on what is reasonable rent for comparable unit not under control in comparable area.

S. 71 - Acceleration of rent prohibited.

S. 72 - HIDDEN RENT INCREASE - Rentalsman may determine that a charge for a service or facility or failure to provide them or reducing them, resulting in reduction of use and enjoyment of premises or of service or facility, shall be deemed to be a rent increase.

S. 73 - Landlord not to charge additional occupancy charges for additional persons occupying premises.

S. 75 - An offence to demand, collect, or attempt to collect rent in excess of that authorized.

S. 32 - Security deposit to be returned within thirty (30) days after termination unless landlord and tenant otherwise agree, or landlord believes he is entitled to claim all or part of it. and must be repaid , together with interest at a rate of 12%, as per Regulation 6.

S. 33 - CLAIM FOR SECURITY DEPOSIT - Where both unable to agree on disposition of deposit, either may make claim to Rentalsman who can make order as per S. 35, and can be made order of court.

S. 37 - ORDINARY WEAR AND TEAR AND CLEANING - In determining disposition of security deposit, claim for cleaning premises, unless it falls within S. 25(4), shall not be allowed, nor shall claim for reasonable wear and tear, and provided agreement contains such a covenant, landlord may retain portion of a deposit as liquidated damages if Rentalsman so orders.

PART 6

S. 41 - ABANDONMENT OF CHATTELS - Where tenant leaves chattels in premises that he has abandoned, or where tenancy agreement has been terminated or has expired, landlord may, after notification to rentalsman, remove and store them for not less than three (3) months. S. 43 - Where chattels are removed, stored and not claimed, landlord may sell or dispose of them in accordance with order of Rentalsman.

PART 7

S. 48 - Rentalsman has power of Commissioner under Inquiry Act.

S. 53 - ORDER OF RENTALSMAN - Under certain circumstances, binding and not subject to appeal or review.

S. 55 - JUDICIAL REVIEW - Rentalsman's order may be reviewed by Supreme Court or County Court on question of law, jurisdiction, or fact. Court may either: Dismiss application; affirm it (subject to certain variations); or set it aside and remit matter to Rentalsman for further consideration. No cost shall be awarded.

PART 8

S's 64 to 75 - RENT INCREASE AND NOTICE- NOTE: Although the Act is difficult to follow, Regulations state that rental units are classified as either RENT CONTROLLED, SUBJECT TO REVIEW or EXEMPT,

S. 8 - DUTY TO REPAIR AND KEEP CLEAN - Landlord to provide and maintain premises in state of decoration and repair that complies with health, safety and living standards required by law and make them reasonably suitable for occupation by a reasonable tenant. This duty applies even if tenant knew of breach at time of entering tenancy agreement.

Tenant to maintain ordinary health,cleanliness, and sanitary standards as well as to repair damage caused by his neglect or omission but is not liable for reasonable wear and tear.

S. 11 - RIGHT TO ASSIGN OR SUBLET - Tenant may assign or sublet, with consent of landlord, where tenancy agreement has a fixed term of six (6) months or more, or is in respect of a mobile home pad. Landlord not to receive any consideration for giving his consent.

S. 12 - COPY OF TENANCY AGREEMENT - Copy to tenant within twenty-one (21) days.

PART 2

SECURITY DEPOSITS, RENT INCREASES AND REPAIR ORDERS

S. 13 - AMOUNT OF SECURITY DEPOSIT - Must be given at time tenancy agreement entered into and not to exceed one half of one month's rent.

S. 14 - SECURITY DEPOSIT RETURN AND INTEREST -Within fourteen (14) days after termination, landlord to provide tenant written statement specifying amount of deposit, accrued interest thereon and method of calculating it, amount and details of claim for unpaid rent or damages which he has deducted from the deposit and pay to the tenant the deposit plus interest or the balance remaining plus interest. Rate commencing April 1, 1983, is 8% compounded annually.

S. 15 - RENT INCREASE - No increase until twelve (12) months have expired following the date of last lawful increase or date existing rent first established. Notice required: for residential premises other than a mobile home pad, not less than three (3) months, and for a mobile home pad, not less that six (6) months.

S. 17 - HIDDEN RENT INCREASE - A court, on application, may determine that a charge for a service or facility or failure to provide them or reducing them, thereby resulting in reduction of use of enjoyment, deemed a rent increase for purposes of S. 15 (1).

BRITISH COLUMBIA

THE RESIDENTIAL TENANCY ACT, Bill 5 (Note: Not Proclaimed)

NOTE: Explanitory notes are set out in the Bill as follows:

" This Act repeals and replaces the Residential Tenancy Act. The present Act will be phased out by September 30, 1984 although many of its provisions will be re-enacted in this new Act. The major features of the new Act are as follows:

(a) the Office of the Rentalsman is abolished effective September 30, 1984;
(b) rent review is repealed effective June 30, 1984;
(c) the jurisdiction of the Rentalsman in dispute resolution is transferred entirely to the courts effective October 1, 1983;
(d) the concept of security of tenure is modified commencing October 1, 1983 with a phasing in of the right of the landlord to give notice of termination of a tenancy agreement without cause;
(e) mobile home pads are distinguished from other residential premises and treated differently;
(f) landlords are obliged to give a written statement of the disposition of a security deposit and accumulated interest on it."

PART 1

TERMS OF TENANCY AGREEMENT

S. 3 - STATUTORY TERMS - S's 5 to 12 deemed to be terms of every tenancy agreement. Provision for regulations to prescribe terms to be included or excluded. A term in a tenancy agreement conflicting with the Act or Regulations is void.

S. 5 - Tenancy agreement shall not contain an acceleration of rent provision.

S. 6 - SERVICES UNSPECIFIED IN AGREEMENT - Where a service or facility is reasonably related to tenants continued use and enjoyment but not expressly provided for in agreement, landlord not to discontinue such service or facility.

S. 7 - OVERHOLDING TENANT ON FIXED TERM TENANCY AGREEMENT - Subject to S. 15(5)(Rent Increase), where a fixed term agreement expires without the parties having entered into a new agreement and the tenant continues in occupancy, parties deemed to have renewed agreement as a month to month agreement on same terms and conditions as in expired agreement.

S. 25 - NOTICE OF TERMINATION - FOR CAUSE - Landlord may, at any time, give notice of termination effective no sooner than ten (10) days after its date, under the following circumstances: tenant reasonably disturbing enjoyment of other occupants; tenant has caused extraordinary damages; occupany by tenant has resulted in premises being damaged in excess of reasonable wear and tear, and tenant has failed to repair damages; tenant has failed to give security deposit within thirty (30) days after entering into agreement; tenant knowingly misrepresents premises to a prospective tenant or purchaser; act or omission of tenant has seriously impaired safety or other lawful right or interest of landlord or other occupant; number of persons occupying premises is unreasonable; tenant has breached material term of tenancy agreement and has failed to rectify it within a reasonable time after receiving notice to do so; tenancy agreement has been frustrated, premises must be vacated to comply with order repsecting zoning, health, safety, etc.; tenant has purported to assign or sublet premises contrary to S.11; or the court, on application, has made an order allowing landlord to give notice. Court may make order shortening notice period.

S. 26 - EARLY TERMINATION BY TENANT - Where tenant has received notice of termination, he may, at any time during the period of notice, give the landlord ten (10) days written notice of termination of a date earlier than that specified by the landlord.

S. 27 - FORM OF NOTICE OF TERMINATION - To be in writing; must specifying date of termination; identify premises; if given by landlord under S's 23 or 25, specify reasons for termination and if given by landlord under S.24, specify amount of unpaid rent, right of tenant to pay within five (5) days thereby voiding notice of termination and if he does not pay within the five (5) days, tenancy agreement is terminated.

PART 4

ABANDONMENT OF PERSONAL PROPERTY

S. 30 - ABANDONMENT OF PERSONAL PROPERTY - Where tenant leaves personal property in premises that he has abandoned or vacated, landlord shall keep inventory and particulars of disposition of property for two (2) years. Landlord to store in safe place for a period of not less than three (3) months. Where apparent value of item exceeds two hundred dollars ($200.), landlord not to dispose of it under S. 33 until he has given notice to any encumbrancer. If property of no value or cost of removing, storing and selling would exceed proceeds from sale, or storage would be unsanitary or unsafe, landlord may dispose of it in prudent and businesslike manner.

S. 18 - REPAIR AND SERVICE ORDERS - Where landlord has contravened S. 8(1) or failed to provide a service or facility required by S.6, tenant may apply to court for order requiring landlord to comply and tenant may pay into court all or part of rent due to landlord. Upon application by tenant, court may order landlord to comply with the Act or agreement, rent paid into court to be paid to landlord as rent where application of tenant is dismissed,or applied to costs and expenses of complying with the Act or agreement as specified in the order, or paid to a named person, in trust, to be applied to cost and expenses of complying with Act or agreement as specified in order.

PART 3

TERMINATION OF TENANCY AGREEMENT

S. 20 - TERMINATION OF AGREEMENT - Tenancy agreement terminated where notice of termination given, tenant has vacated or abandoned premises, court has made order for possession, tenant has elected to treat agreement as terminated under S.38(3) or term of fixed term tenancy has expired. Landlord not to regain premises unless tenant has vacated or abandoned premises or landlord acting under authority of a writ of possession pursuant to a court order.

S. 21 - NOTICE OF TERMINATION WITHOUT CAUSE - For other than a fixed term agreement, to be effective on last day of an ensuing rental agreement period and where given by tenant, not less than twenty-seven (27) days or by landlord, not less than eighty-eight (88) days. For fixed term tenancy agreement, landlord may give notice not more than fifteen (15) days after agreement expires to be effective not earlier than ten (10) days after date notice is given.

S. 22 - NOTICE OF TERMINATIONS - WITHOUT CAUSE - MOBILE HOME PAD - Other than for a fixed term tenancy as above except by landlord, not less than one hundred and eighty (180) days. For a fixed term tenancy agreement, notice by landlord given during term agreement and effective on expiry date of agreement or last day of rental period following expiry date of agreement, but shall not be less than one hundred and eighty (180) days. Where landlord so terminates, shall pay tenant's actual moving expenses, up to a maximum prescribed amount after tenant has vacated premises and landlord receives a written account of those expenses.

S. 24 - NOTICE OF TERMINATION - NON-PAYMENT OF RENT - When rent overdue, landlord may give tenant notice to be effective not sooner than ten (10) days. A tenant may, within five (5) days after receiving notice, pay all rent due, thus rendering notice of termination void. Provision for tenant to apply to court to have time period extended.

S. 31 - TENANT CLAIM FOR ABANDONED PROPERTY - Where tenant claims property before it is disposed of, landlord may, before returning it, require tenant to reimburse him for his costs and to satisfy any amounts owing to him by tenant.

S. 33 - DISPOSAL OF PERSONAL PROPERTY - Where property removed and stored, in accordance with S. 30, and during the three (3) month period no person claims property, or encumbrancer does not seize it, landlord may dispose of it in prudent and businesslike manner and retain from the proceeds of the sale, funds to reimburse him for his cost of removal and storage and any amounts owing to him by tenant, and pays remainder to Public Trustee and gives him an inventory. Public Trustee holds money in trust for tenant for a period of two (2) years and if tenant fails to claim, money forfeited to the government.

PART 5

GENERAL

S. 39 - COURT PROCEEDINGS - Court may make order respecting right or obligation under the Act or tenancy agreement, including prohibiting landlord or tenant from contravening Act or tenancy agreement, or order for possession of residential premises. Only a superior court has jurisdiction to make an order to grant injunctive relief to a landlord or tenant and respecting right to possess or occupy residential premises.

S. 39 (4) - NOTE:

> "Notwithstanding any other enactment, no order of a court in a proceeding involving a foreclosure, estate, matrimonial dispute or other proceeding that affects the possession of residential premises is enforceable against a tenant of the residential premises unless the tenant was made a party to the proceeding ."

S. 40 - RIGHT TO ARBITRATION - Parties may agree in writing to arbitration and if they do, the finding is final and binding. The Arbitration Act does not apply.

POOR

QUALITY

ORIGINAL